

know Senator O'MAHONEY in his appearances before the House Judiciary Committee and in several conferences between the Senate and the House, and I came to have a very great respect for his unusual abilities as a lawyer. I also became proud to be able to call him my friend. He was a friend and counselor on many occasions before I became a Member of the Senate, and has been such ever since.

I have a very deep personal affection for Senator O'MAHONEY. As a Republican I should not join in the regret that he has decided not to be a candidate again. He has, of course, a very high place in the affections of the people of his State. I certainly do regret the reasons which have given rise to his decision, and can only express the hope that his retirement from his arduous duties in the Senate will result in his complete restoration to health.

Our hearts and our prayers will be with him as long as he lives. He holds a unique spot in our affections.

Mr. JOHNSON of Texas. Mr. President, I appreciate the generous statements made by the acting minority leader concerning our beloved friend from Wyoming.

#### ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, if there is no further business to come before the Senate at this time, I move, pursuant to the order previously entered, that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 38 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Wednesday, May 11, 1960, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate May 10, 1960:

##### U.S. TAX COURT

The following-named persons to be judges of the Tax Court of the United States for terms of 12 years from June 2, 1960. (Reappointments.)

Arnold Raum, of Massachusetts.  
Allin H. Pierce, of Illinois.  
Graydon G. Withey, of Michigan.  
Irene F. Scott, of Alabama, to be a judge of the Tax Court of the United States for a term of 12 years from June 2, 1960, vice Marion J. Harron, term expiring.

## HOUSE OF REPRESENTATIVES

TUESDAY, MAY 10, 1960

The House met at 12 o'clock noon. The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Joel 2: 13: *Turn unto the Lord, your God, for He is gracious and merciful, slow to anger and of great kindness.*

Eternal God, our Father, we rejoice that Thou art always willing to bestow upon us the priceless blessings of Thy wisdom to live by, Thy light to walk by, and Thy strength to sustain us.

Thou knowst that daily we are greatly disturbed and disquieted for we are being

besieged by perplexing national problems and perilous international circumstances.

We penitently acknowledge that we art tempted to allow our minds to be centered merely upon tidings and things that are dark and gloomy, causing our hearts to be overcome by cowardice and cynicism.

In the vast concerns of our beloved country, for which we find ourselves unequal, wilt Thou give us a new perspective and a clearer vision of that blessed day when righteousness and justice shall be triumphant, and freedom and peace shall be the glorious possession of all mankind.

Through Christ Jesus, we offer our prayer. Amen.

#### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

#### RURAL ELECTRIFICATION ADMINISTRATION

Mr. BASS of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BASS of Tennessee. Mr. Speaker, tomorrow is the 25th anniversary of the Rural Electrification Administration. This great institution is not only one of good and of progress for all of the country, but it is also a monument to the life and work of our beloved Speaker, Hon. SAM RAYBURN.

I have a special order for tomorrow and I hope, if time permits, to be able to discuss some of the phases in the history of this great program, and at the same time pay tribute to the work of our Speaker in this field. If there are others who care to join me tomorrow I have 1 hour reserved for that purpose.

#### COMMITTEE MEETING DURING SESSION OF HOUSE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Legislative Oversight of the Committee on Interstate and Foreign Commerce may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

#### PROVIDING PROGRAM OF ASSISTANCE IN THE CONSTRUCTION OF FISHING VESSELS

The SPEAKER laid before the House the following request from the Senate, which was read:

IN THE SENATE OF THE UNITED STATES,

May 5, 1960.

Ordered, That the House of Representatives be requested to return to the Senate the bill (H.R. 5421) entitled "An act to provide a program of assistance to correct in-

equities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes."

Attest:

FELTON M. JOHNSTON,  
Secretary.

The SPEAKER. Without objection, the request of the Senate will be agreed to.

There was no objection.

#### DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1961

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 4 hours, the time to be equally divided and controlled by the gentleman from Minnesota [Mr. ANDERSEN] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

#### CALL OF THE HOUSE

Mr. BUDGE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 85]

Alexander	Farbstein	Montoya
Anderson, Mont.	Flynn	Moore
Bailey	Forand	Morris, N. Mex.
Baker	Garmatz	Pillion
Barden	Gavin	Pirnie
Barrett	Gilbert	Porter
Blatnik	Goodell	Powell
Blitch	Green, Oreg.	Reece, Tenn.
Boggs	Hechler	Riehlman
Bolton	Henderson	Rivers, Alaska
Bonner	Hess	Roberts
Boykin	Hoffman, Ill.	Rooney
Brewster	Holt	Scott
Brown, Mo.	Hosmer	Shelley
Buckley	Inouye	Sheppard
Burleson	Jackson	Simpson
Cahill	Jones, Ala.	Spence
Canfield	Judd	Staggers
Celler	Kasem	Taylor
Chamberlain	Kearns	Teller
Chelf	Kee	Thompson, N.J.
Coad	Kilburn	Vinson
Collier	Kluczynski	Wallhauser
Davis, Tenn.	Kyl	Walter
Dawson	McGinley	Weaver
Devine	McMillan	Widnall
Dorn, N.Y.	Macdonald	Willis
Dowdy	May	Winstead
Durham	Metcalf	Wolf
Elliott, Ala.	Miller, N.Y.	Zelenko
Fallon	Mitchell	
	Moeller	

The SPEAKER. On this rollcall 337 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### SUBCOMMITTEE ON LABOR STANDARDS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Labor Standards of the Committee on Education and Labor be allowed to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### SUBCOMMITTEE ON THE LIBRARY

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent that the Subcommittee on the Library of the Committee on House Administration may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

#### DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1961

The SPEAKER. The question is on the motion of the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, with Mr. KILDAY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Mississippi [Mr. WHITTEN] will be recognized for 2 hours and the gentleman from Minnesota [Mr. ANDERSEN] will be recognized for 2 hours.

The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, on May 1 the Soviet Government captured, 1,300 miles inside the boundaries of the Russian Empire, an American plane, operated by an American pilot, under the direction and control of the U.S. Central Intelligence Agency, and is now holding both the plane and the pilot.

The plane was on an espionage mission authorized and supported by money provided under an appropriation recommended by the House Committee on Appropriations and passed by the Congress.

Although the Members of the House have not generally been informed on the subject, the mission was one of a series and part of an established program with which the subcommittee in charge of the appropriation was familiar, and of which it had been fully apprised during this and previous sessions.

The appropriation and the activity had been approved and recommended by

the Bureau of the Budget and, like all military expenditures and operations, was under the aegis of the Commander in Chief of the Armed Forces of the United States, for whom all members of the subcommittee have the highest regard and in whose military capacity they have the utmost confidence.

The question immediately arises as to the authority of the subcommittee to recommend an appropriation for such purposes, and especially the failure of the subcommittee to divulge to the House and the country the justifications warranting the expenditure and all details connected with the item at the time it was under consideration on the floor.

The answer of the subcommittee is—absolute and unavoidable military necessity, fundamental national defense.

During the Second World War the United States succeeded in breaking the Japanese naval code. Through this incredible good fortune the U.S. commanders were able to read every order transmitted from Tokyo and all inter-fleet communications. This advance and intimate information had much to do in preparing the way and increasing the effectiveness of our great victory in the battle of Midway which broke the power of Japan in the Pacific. But some incautious member of a congressional committee or its staff leaked the information to a reporter, and 30 minutes after the next edition of his newspaper hit the street Japan changed her naval code and all further advantage was lost.

This appropriation, and its purpose, is justified by honored and established precedent. This subcommittee, including the same personnel with the exception of two members who have since died, was the same committee which for something like 3 years provided in the annual appropriation bills a sum which finally totaled more than \$2 billion for the original atomic bomb. Session after session the money was provided, and the subcommittee visited Oak Ridge where the work was in progress without any Member of the House with the exception of the Speaker of the House being aware of this tremendous project or the expenditure of the money. According to the testimony of all military authorities that bomb ended the war and saved the lives of not less than half a million men who would have had to be sacrificed in the conquest of Japan. No one has ever said that the subcommittee was not justified in expending an amount that eventually aggregated more than the assessed valuation of some of the States of the Union for that purpose.

Espionage has been throughout recorded history an integral part of warfare. Before occupying the Promised Land Moses "by the commandment of the Lord" sent out from the wilderness of Parah 10 men under the direction of Joshua to spy out the land.

And no nation in the history of the world has practiced espionage more assiduously than Russia. The United States and every other allied nation today literally swarms with her secret agents. Within the last few weeks we sent to the Federal penitentiary at At-

lanta a Russian spy convicted in Federal court who was regularly transmitting information directly to Moscow every night. Their spies stole from us the secret of the atomic bomb. When we were at Oak Ridge we were told there were so many Russian spies there that only by a policy of strictest departmentalism were they able to maintain the integrity of their work.

The need for espionage in this instance was exceptional and compelling. At the close of the World War in which we had saved Russia from complete subjugation we were surprised to learn that while all other nations were disarming and returning to a peacetime status as rapidly as possible, Russia was feverishly driving her factories and continuing to increase her armament at top speed. Simultaneously they announced that communism and free enterprise could not live in the same world.

Every effort has been made by American administrations to reestablish conditions under which we could discontinue excessive expenditures for armament and divert these vast sums to business and humanitarian purposes. But each year Russia has become more arrogant and threatening and more demanding.

Under our American ideals and system of government, a declaration of war against any nation, however provocative, is unthinkable. Our military authorities have no choice but to give any enemy the advantage of first attack and then depend on massive retaliation for defense. The Communists have taken every advantage of this situation.

In modern warfare surprise is a tremendous advantage. Less than a week before the Communist attack on Korea a congressional committee from this House returning from Seoul reported that permanent peace had been established and the land was returning to prosperity. There was no shadow of war; not the slightest cloud appeared on the horizon. The sudden rush of a vast army of well armed, well trained, and well munitioned Communists across the border made it necessary for us to throw precipitately into battle raw and untrained troops who were wholly unable to protect themselves or hold their positions. And there followed one of the most disastrous periods in the history of American arms.

During the hearings on this appropriation for the last 2 or 3 years, I have each year asked the CIA representative before the committee, "How could the enemy mobilize an army of such size and accumulate millions of tons of supplies and munitions and the transportation facilities necessary for its movement without our learning that such an attack was in prospect?"

And each year we have admonished the Authority, the CIA, that it must meet future situations of this character with effective measures. We told them, "This must not happen again, and it is up to you to see that it does not happen again"; that the American forces must be apprised of any future preparation for attack in time to meet it. And

the plan they were following when this plant was taken is their answer to that demand.

And I want to take advantage of the opportunity to compliment and thank Director Allen W. Dulles and his remarkable corps for the admirable way in which they have met the situation through these later years.

They are entitled to the highest commendation by the Department, the Congress, and the American people.

We cannot permit another Korea. We cannot take the risk of carnage and national devastation which might involve every American city. We cannot take the risk of the consequences which would follow a similar attack from across the Russian borders. And since the Russians refuse to cooperate in our efforts to establish permanent peace—refuse even to agree to ethical standards of warfare—we have no choice but to protect our Nation and our people through the age-old methods of defense so long in use by the Communists themselves, lest we wake tomorrow, or do not wake tomorrow, as a result of our failure to know in time what they are planning against us.

The world has been appalled by the vicious vindictiveness of Khrushchev's denunciation. He yesterday characterized the policy of the United States as stupid and blundering. His fury is incited by the fact that it is neither stupid nor blundering. On the contrary it has been infinitely successful and effective.

When we have answered his threats—and he has been very free with them on all occasions, even when he was here as our guest in our own country—when we have answered his threats by basing our Strategic Air Command in a position to defend ourselves and our allies, he has boasted that he could stop them at the border. That is why we are now so earnestly developing our submarines so that if he ever is able to neutralize our Strategic Air Command then we will have to take its place a fleet of nuclear-driven missile-firing submarines that will be just as effective a halter upon him as SAC is today.

His discovery that since 1956, for 4 years, CIA has been sending planes across his border—and as far as 1,300 miles into the interior without his knowing it—is the occasion of this outburst.

It completely disproves his vaunted ability to stop SAC at the border.

The only reason he was able to apprehend even this plane or its pilot was that it developed some unforeseen and unavoidable mechanical or physiological defect, the first in 4 years. He was unable to hit it or to overtake it at its cruising height of 70,000 feet. So in order to leave the impression that he captured this plane he distributed a picture of a pile of rubbish which those who know the plane recognized as absolutely spurious. The plane and the pilot were evidently taken comparatively uninjured. That completely destroys his claims of invulnerability against American attack. So he as usual resorts to subterfuge.

And now the most gratifying feature of the entire incident.

The world has always recognized the remarkable success of our form of government. It has been the wonder and admiration of mankind. But always they have said that it was at a great disadvantage in a war with an authoritarian dictatorship.

We have here demonstrated conclusively that free men confronted by the most ruthless and criminal despotism, can under the Constitution of the United States protect this Nation and preserve world civilization.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, that was the most magnificent and courageous speech I have heard on this floor in many a day. It is true that we have approached these summit conferences with the idea that each side must be given the right to inspect and examine what the situation might be on the other side. That is the only way we can have peace as the result of these summit conferences. We must have that right. When the leader of Russia refused us that right, the only method we had and the only chance we had was to get out and do just what was being done by this pilot. It was nothing compared to the spy work that was carried on by the Russians—nothing at all. Today, the leader of Russia knows that he could not overcome the United States with the airplanes and missiles that we have available. But we could not know what the proper targets were or know where they were or where they would be unless we had some means of checking up on them—and he left us no course to pursue except the course that we did pursue. That sort of approach was the only approach that we could make. I have served, as has the gentleman from Missouri, on the subcommittee that went into the question of the development of the atomic bomb and went into the questions of supplying the CIA and the other branches of our Government with funds necessary to take care of and protect the United States and its people. For my own part, just so long as I am here, I intend to support that position. We brought in from the Committee on Appropriations, under the leadership of the gentleman from Texas and the gentleman from Michigan [Mr. FORD] a military appropriation bill designed to maintain the advantage that we have today over the Soviet. Let us go on and maintain it.

Mr. WHITTEN. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, I realize that in presenting the agriculture appropriation bill it is somewhat of an anticlimax in view of the wonderful speeches that have been made today. It probably is appropriate that this presentation be preceded by those statements, because many of our problems in the field of agriculture are tied directly into the defense effort of this country.

Back in World War II, and subsequent thereto, the American farmers were asked to produce world without end. They did that magnificently. When the

war was over they were not given any refunds or tax reductions. Some \$15 or \$18 billion were given to business after World War II. No such thing was given to the American farmers.

We bring you a bill today where we are embarrassed by its size. We are embarrassed because under the present situation it is our subcommittee that has to pick up the check "after the fact," where we have little if anything to do with the amounts that are involved. In this bill that was submitted to us we were requested to appropriate the sum of \$4,135,263,190. Our subcommittee was able to reduce that by \$170 million. However, may I say, Mr. Chairman, that in the budget request regular activities were something like one-third of the total. Another one-third was for restoration of the capital impairment of the Commodity Credit Corporation; another more than one-third was reimbursement for special activities, the job of handling which has been assigned to the Commodity Credit Corporation.

I have before me the U.S. News & World Report for last week, which points out that the United States has entered into an agreement with India whereby we will, within the next 4 years, give to India something like \$1,200 million worth of rice and grain. We have seen in the papers the fine statements made as to how wonderful this is on the part of the United States. I am not taking issue with that. But whatever that is, I do not know of anybody who feels it would lead to any agricultural markets in India. However fine it is from a good Samaritan point of view, however good it is from the standpoint of our international policy, our subcommittee will have to sign checks for it in excess of \$300 million, charged up to the American farmers for each of the next 4 years. That is an illustration of what we have before us.

Yes, Mr. Chairman, our subcommittee has a tough job in trying to bring about reductions in the cost, because so many of them are beyond our reach. We on our subcommittees have tried to bring in a bill on which we could all agree. I doubt there is an item in this bill that suited all of us on this subcommittee. But the bill as produced represents the composite views of the whole subcommittee, I believe. I have gone over it very closely, trying to make it as sound as I was capable of doing.

I want to pay tribute to the members of my subcommittee who have worked so hard on this bill. My friends and colleagues on the majority side, Congressmen FRED MARSHALL, BILL NATCHER and FRED SANTANGELO have cooperated fully and have helped in every way. The minority members, Congressmen H. CARL ANDERSEN, WALT HORAN and BOB MICHEL have done their part to bring this bill to the floor in the best possible shape.

Now I would like to discuss some of the major factors with which we had to deal.

#### FARM INCOME AT LOW LEVEL

The records of the Department show that the Federal Government is now spending far more in the name of agriculture than ever before in history, and

yet income from farming in 1959, including soil bank payments, was at the lowest level since before World War II. This is true, despite the fact that national income has increased consistently each year and per capita income for all segments of the population, other than agricultural producers, is at the highest level in the history of the country.

The farm price support program was created in 1933 to preserve and maintain our soil resources, to give the farmers suitable purchasing power and to provide the consumers with an adequate supply of food and fiber. By 1952 some weaknesses began to become apparent in the laws which were enacted at that time. The Government had an investment of some \$2½ billion in commodities in 1952 and was incurring some one-half billion dollars of cost per year. This came about because of overproduction.

Several factors contributed to this overproduction: First, the increased knowledge and technical know-how of farmers who were able to materially increase their production by cultivating each acre; second, lack of effective means of controlling production due to an antiquated system of acreage controls which was becoming ineffective.

Net farm income was \$14.4 billion per year in 1952.

Beginning in 1953, the Department of Agriculture, reflecting the views of some people, insisted that changes should be made in the program then in effect. Since that time, the following cures have been offered, tried, and from the record found wanting, so far as solving the problem is concerned:

First. Price support reductions averaging 20 percent were made under the "flexible price support plan."

Second. A soil bank program was created to curtail production by paying farmers not to farm.

Third. Public Law 480 was enacted to dispose of surpluses by virtually giving them away overseas.

Fourth. Research and extension appropriations have been increased some 120 percent.

Fifth. Department of Agriculture personnel has increased about 28 percent and appropriations have increased around 300 percent.

Sixth. Production controls have been relaxed as price support levels have been lowered. For example, the removal of controls on corn production, beginning with the 1959 crop, has resulted in enormous increases in acreage harvested and volume of production.

#### THE RESULTS

Most of these so-called cures have been a heavy drain on the Treasury and have provided little to improve the deteriorating farm situation, which will grow worse if the present course is followed.

One serious result has been the impairment of purchasing power of rural America. Farm income has dropped from \$14.4 billion in 1952 to \$11 billion in 1959, a 24 percent reduction. The effect of reduced prices and increased costs on net farm income during this period is indicated by the following fig-

ures from the records of the Department shown on page 68, part I, 1961 hearings:

	Prices received	Prices paid	Parity ratio (percent)	Net income from farming (billions of dollars)
	(Index based on 1910-14)			
1952.....	288	287	100	14.4
1958.....	290	293	85	13.1
1959.....	240	298	80	11.0
4th quarter, 1959..	231	297	78	10.9

The loss of this purchasing power has already affected not only those who depend on farming for a livelihood, but also those engaged in banking, merchandising, industrial production, and other business activities, particularly in the smaller communities. Since those dependent on agricultural income, either directly or indirectly, represent an important market for goods produced in the urban areas of the Nation, this loss of farm income has not only affected the economic welfare of farm sections of the Nation, but if allowed to continue is bound to have serious effects on the whole Nation.

The importance of American agriculture as a market for the Nation's goods can be appreciated when it is realized that agriculture uses more finished steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry. It uses more rubber each year than is required to produce tires for 6 million automobiles. It is one of the Nation's largest users of electrical power. Its inventory of machinery alone exceeds the assets of the American steel industry and is five times that of the automobile industry.

It has been reliably estimated that each dollar of farm income produces \$7 of income throughout the rest of the economy. Thus, it is reasonable to assume that the loss of \$3.4 billion of farm income in 1959, as compared to 1952, resulted in a loss of domestic markets worth some \$24 billion to the industrial producers of the Nation in that 1 year.

Another unfortunate result of these so-called cures has been the production of huge surpluses of many agricultural commodities, which have served to depress markets generally for agricultural products, and have been a great economic loss to the United States. Figures furnished by the Department, as set forth on page 68, part I, 1961 hearings, indicate that total farm output has increased from the 1952 level of 108 percent of the base period 1947-49 to 125 percent in 1959. This increase in production of 17 percent, which has created the surplus problem, has to a considerable degree been due to efforts of farmers to offset reduced prices by increased output. This has placed an additional strain on the fertility of the Nation's soil. It is estimated by officials of the Department that this unneeded production has cost the grain farmers over \$1 billion in extra annual production of grain alone.

#### COSTS TO FEDERAL TREASURY

Seven years of experimentation with reduced price supports, outmoded acreage controls, ineffective soil bank programs, and costly oversea disposals under Public Law 480 has placed a heavy financial drain on all segments of the American economy. And benefits to the farmer have been less than those received by other groups through these programs.

A summary of these tremendous expenditures resulting from excessive production while trying these so-called cures since 1952, follows:

	Billion
Reduced price supports.....	\$8.0
Soil bank program.....	4.3
Public Law 480.....	13.5
Total.....	25.8

Nearly \$3 billion is provided in the bill for 1961 to meet the continuing cost of these programs, as follows:

	Billion
Restoration of capital impairment of Commodity Credit Corporation (price support).....	\$1.226
Conservation Reserve (Soil Bank).....	.310
Reimbursements to CCC for cost of Public Law 480 and other special activities.....	1.444
Total in 1961 bill.....	2.980

In addition to these heavy expenditures, the appropriations for the other programs of the Department have increased from \$827.5 million in fiscal year 1952 to \$1,089.2 million in fiscal year 1960, an increase of nearly 32 percent.

#### PRICE SUPPORT REDUCTIONS

In the past 7 years price supports have been reduced an average of 20 percent. These drastic reductions, in the face of constantly rising production costs, have had several important effects on the farm economy of the Nation. First, they have reduced net farm income nearly one-fourth between 1952 and 1959. Second, they have created tremendous surpluses which are about to wreck the entire farm program.

As has been pointed out each year by many members of this committee, farmers tend to increase their production as farm prices are reduced, in an effort to maintain income essential to meet operating cost and living expenses. Experience during the past few years has disproven the theory advocated by some that reduced prices will reduce production. The records of the Department for the past 7 years show that production has increased at about the same rate that price supports have been reduced.

One of the most definite indications of this is Commodity Credit Corporation holdings which have increased from \$2.5 billion in 1952 to over \$9.2 billion as of January 1960. A study of figures appearing on pages 373-387, part 3, 1961 hearings, further supports this point.

The total cost of the price support program from its inception in 1932 through 1952 was about \$2.6 billion. With lowered price supports and increased production, the Department has lost another \$8 billion under this program since 1952. An estimate furnished

by the Department shows that price support on surplus feed grains alone cost the Government some \$3.5 billion in price support investment and \$1.5 billion in carrying charges in 1959. Figuring farm costs of extra production at 50 percent of normal, this surplus cost the farmer in excess of \$1 billion to produce—page 754, part 3, 1961 hearings.

#### SOIL BANK PROGRAM

In 1955, the soil bank was offered as a solution. Acreage was rented from farmers and taken out of production, though the record shows 23 percent had not been in production. The cost of the soil bank to date, including funds in this bill, has been approximately \$2.7 billion. It is estimated that an additional \$1.6 billion will be required in future years to meet long-term conservation reserve commitments entered into under existing legislation. This estimated total cost of \$4.3 billion would be further increased if this program were to be extended beyond the present year.

The production records of the Department show that the program has been relatively ineffective in bringing production in line with need—pages 373-375, part 3, 1961 hearings. There seems to be little benefit from this program, unless considered as a means of offsetting loss of farm income at the marketplace. The past record proves conclusively that this program offers no future solution to the problem of overproduction, even if billions of dollars are spent each year.

As shown by the Department's testimony, 2.6 million farms are classified as small farms. These represent 56 percent of the total farms in the United States, which include about 275 million acres, but produce only 9 percent of the commercial production. Therefore, if all such farms were removed from production at an average of \$10 per acre, it would cost \$2,750 million a year and would reduce production only 9 percent—assuming large farms did not offset such reduction. These figures cannot be misunderstood.

#### PUBLIC LAW 480

The Agricultural Trade and Development Act, Public Law 480, was proposed as a means of disposing of the surpluses which reduced price supports and acreage controls had failed to control. Title I of this law provides for sales for foreign currencies, title II authorizes donations to friendly countries to meet famines and other disasters, and title III provides for barter and other means of disposal. It is to be noted that the Government pays the full costs of this program in American dollars.

It was adopted by Congress with serious misgivings on the part of many people. In view of the fact that it has done nothing toward stopping overproduction—in fact it has tended to postpone the time when Congress will deal with that problem—such misgivings appear to have been fully justified.

This program, which was first started in 1954 as an outlet for surpluses, has developed into an outlet for production overflow at practically 100 percent cost to the United States. Instead of cor-

recting the situation, it has been followed by more and more surpluses.

The authorization for sales to foreign governments for local currencies under title I has expanded tremendously since its inception as follows:

	Total authorization— billion
July 1954.....	\$0.7
August 1955.....	1.5
August 1956.....	3.0
August 1957.....	4.0
September 1958.....	6.25
September 1959.....	9.25

In addition, up to \$1.4 billion is authorized for donations under title II. Title III costs will further increase this amount, although exact figures are not available. Through December 1959 over \$2.9 billion of commodities have been donated and bartered under title III. Thus a total of over 13.5 billion American dollars has been authorized for expenditure since 1954 under present law. Further extensions of the act would of course increase this total cost.

This program was originally justified as a means of using agricultural surpluses to develop and promote overseas markets for U.S. agricultural products. There is evidence to indicate, however, that foreign currencies generated under this program in some instances are being used to expand agricultural production abroad, in competition with U.S. products in world markets. Further, it appears that such programs are often undertaken in countries which have no prospects of ever providing markets for U.S. products.

An example of this is a project called "Operation Beef" in Argentina. Under this program, \$14.3 million is being used to increase beef production in that country to compete with U.S. meat producers in world markets. Since Argentina produces many of the same crops as the United States, the two countries are natural competitors and market prospects there are very limited. Therefore, it is hard to understand how U.S. interests are benefited by projects of this kind.

Whatever the benefits of the Public Law 480 program, in the opinion of many members of the committee, it too has failed to help the overproduction problem. As mentioned earlier, it probably has contributed to a constantly deteriorating situation for American agriculture by getting these huge surpluses "out of sight" abroad and thereby postponing action to prevent the increase in the surplus problem.

If a sufficient amount were diverted from the tremendous supplies on hand and available for use under Public Law 480, such commodities could well be the means of enabling the farmers to bring production in line with domestic and foreign consumption. If used to protect farm income while the farmer cut production 20 percent, they would reduce storage costs up to \$100 million per year and would reduce price support costs—possibly \$700 million to \$1 billion per year. Further, they would protect farm

income during the period of adjustment needed to bring production in line with demand, and would enable such a plan to be carried out at little or no cost to the Government. The commodities have already been bought and paid for by CCC and will otherwise be given away to foreign countries under Public Law 480. A full discussion of such a proposal for feed grains, the area of our greatest problem, is contained on pages 172-173, part 3, 1961 hearings.

In the opinion of a majority of the members of the committee if the Public Law 480 program is to be continued, it should be considered a foreign aid program and should be paid for in the mutual security bill.

#### EXPANDED RESEARCH AND EXTENSION

As pointed out previously, funds for the research and extension programs of the Department have expanded about 120 percent since 1952. A summary of this increase is as follows:

	1952	1960
Department of Agriculture research.....	Million \$44.2	Million \$104.4
State experiment stations.....	12.7	31.8
Extension Service.....	33.5	64.1
Total.....	90.4	200.3

The large increases for these programs have been justified by the Department and offered as an answer to the farm problem and as a substitute for protection of farm income through adequate price support levels. They have been supported by the Department on the theory that improvement of farming methods and development of new uses for agricultural commodities through research can offset reduced income and thereby enable the farmer to stay in business.

The members of the committee fully recognize the value of these essential programs. They are aware of the important benefits of research and extension work to the farmers of the Nation. They realize the fact that farmers would be much worse off financially than they now are, were it not for the improved production techniques which have resulted from the research and extension programs of the Department.

They realize, however, that the real benefits of this work are not sufficiently direct and fast enough to meet a sudden economic crisis, such as has been experienced in the past few years. They wish to point out, therefore, that these programs, as fine and essential as they are, cannot and should not be expected to offset sudden losses of farm income and related economic problems.

#### PERSONNEL AND APPROPRIATIONS INCREASES

It is apparent that continued increases in personnel and funds for the Department of Agriculture is not the answer to the farm income problem, where higher cost and lower prices are leading to overproduction. If such increases could improve the situation, the 28-percent increase in personnel and 300-percent increase in appropriations since

1952 would have done so. A summary of the expansion of the Department is as follows:

<i>Personnel</i>	
Dec. 31, 1952-----	67,406
Dec. 31, 1959-----	86,508
Increase (28 percent)-----	19,102
<i>Appropriations</i>	
	<i>Billion</i>
Fiscal year 1953-----	\$1.045
Fiscal year 1960-----	4.045
Increase (300 percent)-----	3.083

#### REMOVAL OF CONTROLS

Along with actions taken to reduce price supports, efforts have been made by the Department to remove or curtail production controls. This also has contributed to the increased production in recent years and the ever-mounting surpluses.

While efforts to control production through acreage controls have not been effective, it appears unwise to eliminate them until some satisfactory substitute has been adopted. Mandatory price supports on basic commodities cannot work without some type of control over production.

Corn (bushels)	Support levels (percent)	Acreage harvested (million acres)	Yield per acre	Production (million)	CCC inventory (million)	Storage and handling costs (million)
1952-----	90	80.9	40.7	3,292.0	\$500.0	\$28.3
1956-----	84	75.6	45.7	3,445.3	1,245.6	71.5
1958-----	77	73.3	51.8	3,800.9	1,857.8	140.0
1959-----	66	84.6	51.5	4,361.2	1,861.3	133.5

In the face of this record, it is even more disturbing to learn that the Department is now recommending the same kind of program for the handling of wheat. This would certainly compound the problem, if adopted.

#### CORRECTIVE ACTION URGENTLY NEEDED

Members of this committee tried to tell the Department in 1953 and subsequent years that farm income is based on "volume" times "price" less "cost." They tried to convince the Department that, if prices were reduced, the farmer—faced with increasing costs—of necessity would increase volume, and could do so since control by acreage is no longer effective. Prices were reduced, and production went up—not down.

While differences of opinion exist as to what should be done in the future, the record clearly shows what has been done during the past 7 years has been no solution. The situation becomes progressively worse for the farmer and the taxpayer, while the major benefits go to those between the farmer and the consumer. The above facts and experiences convince a majority of the committee that the problem will never be solved until Congress attacks the problem at its base, which is overproduction.

It is the belief of a majority of this committee that, for the protection of our overall economy, farm prices must reflect cost plus a reasonable return. Such prices, however, must be made contingent upon farmers holding farm production, in terms of bushels, bales and pounds, to domestic and normal foreign

At the recommendation of the Department, a program was adopted last year which removed all controls on corn, beginning with the 1959 crop, along with a further reduction in price-support levels. This was done over the strenuous objection of many Members of Congress who realized that the inevitable result would be to increase production substantially, fill up Government storage facilities, increase Government costs, and further depress the market.

The result of this new corn program has been to increase harvested acreage from 73.3 million acres for the 1958 crop to 84.6 million acres for the 1959 crop. Intentions to plant for the 1960 corn crop are estimated by the Department to further increase to 85.8 million acres. They could possibly increase to 90 million acres.

While it is too early to see the ultimate effect of this program, it is significant to note that production of corn increased from 3.8 billion bushels in 1958 to 4.4 billion bushels in 1959. Further increases for 1960 are probable.

A summary of Department figures placed in the 1961 hearing record relative to corn is as follows:

markets. If that is done an adequate price can be obtained at the marketplace.

This makes it imperative that present approaches to this problem be reversed if the agricultural industry of this country is to survive, and if we are to prevent a bankrupt agriculture from pulling down the rest of our economy. Further, the taxpayers are not likely to continue to finance such needless and heavy expenditures which can be avoided if proper supports based upon farm costs are restored and made contingent upon actual production being held in line. Unless present programs are reversed, they will eventually wreck farm purchasing power, and eventually the entire national economy.

Farmers themselves are suffering most from these costly and ineffective programs. They are forced to operate in a manner that causes them to deny their families an adequate standard of living and in many instances they are taking fertility from the soil that they wish to preserve for future generations. On numerous occasions they have expressed a desire to cooperate with the Federal Government to bring about a correction of the farm problem. To a large extent their pleading has been ignored because of the influence of those between the farmer and the consumer who have prospered in the farmer's name and at the cost of the taxpayer.

After the experience of the past 7 years, it appears absolutely necessary that production be brought in line with the needs of domestic and foreign dollar

markets. Past approaches to overproduction must be reversed, using surplus commodities now on hand to ease the financial shock on the farmer and the general economy during the period necessary for adjustment.

And whatever we do, our investigations and hearings show we must operate the Commodity Credit Corporation on a strictly business basis, with due regard to safeguarding the assets of the Corporation in order to protect the U.S. Treasury.

#### THE COMMODITY CREDIT CORPORATION

The Commodity Credit Corporation was organized October 17, 1933, under the laws of the State of Delaware, as an agency of the United States. From 1933 to 1939 the Corporation was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan I. Under the Commodity Credit Corporation Charter Act of June 29, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter.

The original capital in 1933 was \$3 million. The act of March 8, 1938, gave CCC its first borrowing authority of \$500 million. This was increased periodically until it had reached \$6.75 billion in 1950. This amount has been increased four times since 1952 and now stands at \$14.5 billion.

The Corporation is managed by a board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is, ex officio, a director and chairman of the board. The board consists of the Secretary of Agriculture and six other members appointed by the President and confirmed by the Senate.

Under the provisions of the Corporation's charter, its officers and employees are obligated to operate on a sound business basis and protect the assets of the Corporation. In the past, the officers and directors have been full-time employees of the Department, and thereby able to give only a portion of their time and attention to this \$14.5 billion Corporation, the largest in the world, handling the greatest volume of buying and selling of any business organization known.

The policies adopted and actions taken by Department and CCC officials in recent years have been disappointing to the committee. In the opinion of many members, they have lacked complete objectivity.

As a result, the record indicates that much unnecessary cost has been incurred and much money has been wasted, all of which has to be restored by appropriations from the Treasury.

#### STORAGE COSTS EXCESSIVE

Many fail to realize that about half of the price support expenditures each year are for such items as storage and handling, transportation, interest and administration. Despite frequent comments concerning subsidies and price support benefits to the farmer, the amount which eventually goes to the farmer is only a portion of the cost. In

fact every group seems to be cut in on profits far beyond those received by the farmer. In fiscal year 1959, for example, storage, transportation, administrative and interest costs were 49 percent of the total losses under the price support program. And, while the rates for these nonfarm costs assure a handsome profit, amounts paid to farmers as price supports hardly cover production costs.

In 1959, storage and handling charges totaled \$481.7 million. Storage charges for 1960 are estimated at \$612 million. Further, unless something is done to curb this increasing cost, storage costs are expected to exceed \$700 million in 1961. It should be noted that this latter amount is nearly equal to the cost of running all of the Department's regular activities in 1953, including research, marketing extension, soil conservation, crop insurance, regulatory activities, and forestry.

During this period, while support prices to farmers were being reduced by an average of 20 percent, rates paid to warehousemen for storage were being increased substantially. Further, since the farmer pays for the first year of storage, this increase in storage costs further reduced the net amount of his loan by the same amount. The total cost of storage was increased from \$73.3 million in fiscal year 1952 to \$481.7 million in fiscal year 1959—pages 483-486, part 3, 1961 hearings. During this same period, net income to the farmer dropped about 24 percent.

Committee investigations made in 1955 and 1956, which have been made a matter of record, disclosed various actions of the Department to increase storage costs through increased rates and benefits to private warehousemen and the use of commission merchants and forwarding agents in lieu of available Department personnel. These investigations also provided information to show that commodities were often moved from one area of the country to another, regardless of expense, in order to fill empty commercial warehouses, even though Government storage bins were left vacant. In 1955, over 16 million bushels of corn were moved from the Midwest to the west coast at a cost to the Government of over \$8 million, even though vacant space remained at locations from which shipped.

A comprehensive committee investigation conducted last fall provided further information which helps to explain why storage charges have increased so much in recent years. For example, this investigation included figures showing that storage charges paid certain warehouses during the period 1957-59 were sufficiently high to allow the owners to recover their investment in buildings and equipment in a period of 2 years. In one instance, the investment was liquidated in 16 months. While uniform storage rates for uniform warehousing and storage appear sound, the same rate for inferior or low-cost warehousing cannot be justified and is far too expensive to the Corporation.

Further, during this period of price reductions for the farmer and profitable increases for all others, the Commodity Credit Corporation disposed of usable

Government-owned storage bins at a substantial loss. During this same period, many CCC-owned bins were leased to private persons, some of which were rented for storage of Government-owned grain. The figures on pages 758-759, part 3, 1961 hearings, show that as of December 31, 1957, some 31.7 million bushels of CCC storage bins were leased for three-fourths cent per bushel per month—an annual rate of 9 cents per bushel. Some of this type of space has been rented by CCC for the standard annual rate of 16.5 cents per bushel, plus loading in and out charges.

Evidence has also come to the committee's attention that Government-owned storage space such as bins and liberty ships was and is being held vacant in order to keep private warehouse space filled at excessive storage rates.

Officials of the Commodity Credit Corporation state that these actions were taken under their interpretation of authority in section 3 of the charter of the Corporation, which reads as follows:

That nothing contained in this subsection (b) shall limit the duty of the Corporation, to the maximum extent practical consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channel facilities and arrangements of the trade and commerce in warehousing commodities.

It is the opinion of the majority of this committee, in view of the obligation of the officers of the Corporation to protect its assets and thereby the taxpayer, that these actions do not constitute "effective and efficient" conduct of the Corporation's business.

#### RECLASSING OF COTTON

Since 1956, the Corporation has paid out over \$166 million in rebates on cotton reclassified after sale, a large part to international cotton traders who held such cotton for the Government in their own warehouses where they could easily have advance knowledge of reclassing rebates, thus preventing true competition at time of sale. A breakdown of this amount is set forth on page 314, part 3, 1961 hearings. Much of this cotton was sold by such buyers from CCC in world trade at higher than the original class, as shown by previous committee investigations.

The committee developed these facts in 1958 and the CCC stopped the practice for the past year—selling approximately 6 million bales without reclass after sale. Thus no rebate was paid. Notwithstanding this fact, yielding to pressure from those who received such rebates, the Department has again refused to reclass before sale so as to have maximum competition and treat all bidders alike. It has announced that for the ensuing year it will reclass cotton after sale on a discount basis.

In the opinion of the committee such action shows an utter disregard of the obligation to protect the assets of the Corporation and thereby the taxpayer.

#### FAILURE TO SELL COMPETITIVELY

For a number of years the CCC, following orders of the Department, refused to sell U.S. agricultural commodities competitively in world markets, notwith-

standing unlimited authority to sell competitively for dollars. Page 148, part 3, 1961 hearings, shows the years in which commodities were not offered competitively. During that period, CCC stocks on hand increased from \$1 billion as of June 30, 1952, to \$3.7 billion on June 30, 1954, and \$5 billion on June 30, 1955.

Finally in late 1954, at the insistence of this committee, the Department began selling some commodities competitively in world trade for dollars. Finally all commodities except cotton were offered. During this period, while cotton was held off world markets, CCC holdings of cotton increased from \$418,000 in 1952 to \$1,249,813,000 in 1956.

In 1955, at the insistence of this committee, the first cotton was offered for sale abroad for dollars on a competitive basis and 1 million bales were sold in a very short time. Then at the request of American international cotton merchants, the Government again held U.S. surplus cotton off world markets. Congress then passed the Agricultural Act of 1956 requiring sales for dollars. Notwithstanding this legislation, the Department in 1958 refused to offer cotton at competitive prices "in violation of law" according to the Comptroller General. Exports dropped from 7.6 million bales in 1956-57 to 2.8 million bales in 1958-59. This course has cost the CCC and the people hundreds of millions of dollars and has done great damage to the U.S. cotton producers.

In 1959, competitive overseas sales were started again and exports for 1959-60 will again increase to a total of 6.5 million bales, from a low of 2.8 million bales in 1958-59 when the CCC, under instructions from the Department, was holding U.S. commodities off world markets, increasing storage costs and holding an umbrella over increased foreign production.

Despite the success of the competitive sales program, the CCC now is using the payment-in-kind approach, the cost of which is hard to determine. Future investigations will likely show exorbitant profits to many nonfarmers.

#### LACK OF SALES PROGRAM

It will also be recalled that this \$14.5 billion Corporation, which was purchasing increasing quantities of commodities each year, did not even have a sales organization or a sales manager until congressional action was taken to require such a program. In 1956, this committee created a special position of sales manager and directed the Corporation to set up a sales organization and undertake an aggressive sales program. The work of this sales manager has been fairly effective. However, domination by other officials of the Department and lack of authority to sell have reduced his effectiveness.

#### RECOMMENDED IMPROVEMENTS IN CCC OPERATIONS

These factors have caused a majority of the members of the committee to agree that the operations of this huge Corporation must be improved. Considerable monetary savings could be made through improved operations.

The committee believes that CCC would be more effectively and efficiently run and its assets better protected, if its officers were full-time employees of the Corporation rather than officials of the Department, with full time jobs with other activities of the Department. The committee has therefore included language in the bill to require that the officers and directors of the Commodity Credit Corporation be paid from corporate funds, after February 1, 1961. This should have the effect of giving the Corporation more independence and should lead to greater efficiency in its operation and less impairment of capital, which will thereby reduce the amount of future appropriations required.

Further, since the officers and directors of the Corporation have the obligation to operate efficiently and to protect the assets of the Corporation, and thereby the Government and the taxpayers, a majority of the members of the committee believe from the record before them that certain corrective actions are necessary with regard to storage practices.

The committee urges the Corporation to decrease amounts paid for other than farmer-owned storage by at least the reduced value of the commodity stored, as determined by the reduction in price support levels and per-unit investment of the Government since 1952 in such commodities. It also urges the Corporation to discontinue the sale or lease of Government storage space to commercial concerns where such space can be used more economically to store commodities by CCC.

Further, should the Corporation's holdings be reduced to the point that competition exists between warehousemen at terminal markets or ports, a majority of the members believe that the CCC should set up guide rules or perhaps advertise for bids, in order to hold down costs and reduce the opportunity for favoritism in determining which warehouses will receive Government business at such points.

The committee does not approve the moving of CCC stocks from Government storage bins and liberty ships into commercial space in order to pay commercial warehousemen storage costs. The Government-owned facilities should be used to capacity at all times. Furthermore, the CCC should not encourage expansion of commercial storage facilities beyond community needs by offering unrealistic rates that encourage highly speculative investments on the part of inexperienced grain storers. Prior to any request to the warehouse industry to provide additional storage, the CCC should make a survey to determine the adequacy of space to handle stocks over an extended period of time.

The committee is firmly opposed to the proposal to reinstate reclassing of cotton after sale. They oppose it for two reasons: First, it adds to the capital impairment of the Corporation and increases the annual appropriations by lessening competition and funds received by CCC from sales; and second, such a practice gives a definite advantage to the large cotton buyers who also have large quantities of CCC-owned cotton stored

in their warehouses and thereby are in a position to anticipate rebates from reclassing in offering bids for cotton purchases from CCC on a competitive basis.

The committee has included language in the bill, therefore, which prohibits the use of CCC funds to carry on cotton reclassing after time of sale. It is of the opinion that any reclass of cotton should be contingent upon determination by CCC that there is a need for such reclass. Further, it believes that cotton should be sold by sample or cataloged so as to give all purchasers an equal opportunity to bid. The committee notes that the Department, following such a course, sold 6 million bales of cotton this year without such reclass after sale.

#### NEW APPROACH TO PRODUCTION CONTROL NEEDED

The most serious problem facing Agriculture today is the continued overproduction of crops already in surplus supply. Yields per acre for nearly all crops have increased steadily in recent years. Total production has also increased, despite acreage controls and the Soil Bank.

When the present system of acreage controls was placed into effect over 20 years ago, it was fairly effective, since acreage yields were limited by the type of agriculture used at that time. In recent years, however, this means of control has become completely ineffective due to improved methods of cultivation and increased use of machinery, fertilizer, insecticides, and improved seed.

It is apparent to this committee that something has to be done. Correction must be made, both for the welfare of the farmer and the Federal Treasury.

In seeking a solution, several facts are evident:

First. What we have been doing has not worked. After spending or committing ourselves to spend nearly \$26 billion, the record shows the situation to be three to four times worse in terms of surplus inventories of CCC.

Second. Farm income is now so low, even with the sale of the overproduction to the Government, that farm purchasing power must be protected from a further drop.

Third. Any future farm program must provide that farm income shall come from the production of that quantity of product necessary for domestic and foreign markets. In the interest of the overall national economy, such production must reflect farm costs plus a reasonable profit. Such income should come from the marketplace.

Fourth. To bring about correction, we have one factor which should enable us to scale back overproduction without injury to farm income or further cost to the taxpayer during the period of adjustment. This is the \$9.2 billion of CCC commodities on hand which are already paid for. Commodities from these stocks should be offered to farmers in consideration for cutting back farm production.

If such a plan were put into effect, there would be a number of important benefits to the national economy—(a) the Government would save storage costs, (b) price support costs would be

reduced in line with production actually eliminated, (c) farmers would save the cost of producing extra units of production for which there is no market. Further, no additional outlays of funds would be required to accomplish this objective, since commodities to be used are in Government stocks and will otherwise be given away under Public Law 480.

Once production and demand are in reasonable adjustment under this program, it would appear that fair and reasonable price supports should be provided for the farmer's share of the domestic market. Any overproduction should be eligible for foreign markets at world prices. If this course were followed, the cost to the Government would be negligible.

The other course which might be followed would be to continue price supports on total production, limited to domestic, and foreign markets. If this approach were used, the Government would continue to pay the cost of the difference between the support price to offset high American costs and the world market.

Whichever course is followed, or if some other answer is to be found, it is the belief of a majority of this committee that the Department and the Congress should get together without delay on a plan to use surplus commodities on hand to get farmers to cut total production of wheat and feed grains—the area of greatest difficulty at the present time which commodities must be considered together. Merely cutting acreage will not work, as shown by the record.

The Department should be authorized to immediately institute a program which will encourage each producer of wheat, corn, and feed grains to curtail his production up to 25 percent in any one year in return for the transfer to him from CCC stocks of an equal quantity of the commodity for which reduction was made.

Under such a plan, the Secretary of Agriculture would transfer from Government stocks of wheat, corn, grain sorghum, or other feed grains, which are otherwise available for shipment to foreign countries under Public Law 480 and similar programs, to any U.S. producer of said grains upon the following terms and conditions:

First. The producer must reduce his total production of wheat, corn, grain sorghum, or other feed grain below his average production of all of said grains for the 3 preceding years.

Second. The Secretary shall first enter into an agreement for a period of from 1 to 3 years with any such producer of wheat, corn, grain sorghum, or other feed grain, or any combination thereof, which will require upon the part of such producer that he reduce his total production of all of said grains below his average production of the 3 preceding years before such producer can qualify to receive Government stocks.

Third. The Secretary shall determine the amount of such transfer of said feed grains to be offered for transfer in any year to any one producer, but in no case shall the amount exceed 25 percent of the

average production of said producer for the 3 years next preceding the date of such agreement. Such transfer may be made by transferring warehouse receipts.

Fourth. To obtain such Government stocks, each farmer must (a) file notice with the county committee that he expects to avail himself of such offer, (b) agree in writing to reduce his total production of all or any combination of such grains for the years included in such agreement, (c) submit a statement of his production of all of said crops for the 3 preceding years, together with such additional proof as may be required by the Secretary, (d) certify that he will not increase his production of other commercial crops, and (e) supply such proof of reduced production as the Secretary may require.

Fifth. Insofar as practical, grain so transferred shall be of the same type and kind as that for which reduction in production was made by such producer. When not practical, such transfer shall be in quantities of grains of equivalent monetary value.

Sixth. The Secretary of Agriculture would be authorized to issue such rules and regulations as may be essential to carry out this provision.

As a part of such a plan, a commission could well be appointed to study and prepare a farm plan for submission to the Congress after adjustment of production has been made. Such plan should be based on protecting farm income at the market place and keeping production in line with domestic and foreign markets. This approach is deemed necessary because of wide differences which now exist between farm organizations and between farm leaders, including those in the Congress.

It is believed by a majority of the members of the committee that this proposal is a start in the right direction, that is, toward a program of balancing production with market demand and the long time need to maintain soil and water resources. It would provide an effective means of controlling production through production quotas on the quantity of a commodity which may be produced and marketed. In addition, it would save farmers their present cost of production on that part of their production eliminated, and would save the Government the price support and storage and handling costs on the surplus which otherwise would be produced. It is to be noted that, under this plan, the Government would save storage costs of from 11.68 cents per annum for oats to around 16.5 cents for corn and 17.885 cents for wheat and flax, for each bushel removed from storage. Also, it should be remembered that it would cost the Government little, if anything, for commodities transferred to farmers in payment for reduced production, since such commodities are now on hand and will otherwise be given away under the "foreign aid" Public Law 480 program.

#### BENEFITS TO GENERAL PUBLIC

As pointed out in previous years, most of the programs of the Department are of direct benefit to every citizen of the United States and should not be con-

sidered to be exclusively for the benefit of the farmer. American consumers in general receive as large a share of the benefits from Federal funds spent for agriculture each year as do the farmers themselves. Programs benefiting the general public as much or more than the farmer include the following:

First. Improvement and protection of public health, including home economics and human nutrition research, plant and animal disease and pest control, meat and poultry inspection, school lunch and special milk programs, and donations to schools, institutions and needy people.

Second. International relations and national defense, including Foreign Agricultural Service, donations to Veterans' Administration and Defense Department, donations to needy people abroad, International Wheat Agreement, emergency famine relief, sales for foreign currencies (Public Law 480), and bartered materials for stockpile.

Third. Regulation and improvement of marketing, including marketing research and regulatory activities, market inspection, grading, classing and standards, agricultural estimates, market news services, freight rate services, the Commodity Exchange Authority, and the Farmers Cooperative Service.

Fourth. Conservation of natural resources, including the Soil Conservation Service, watershed protection, flood prevention, Great Plains program, and the agricultural conservation program.

Of the funds expended for agriculture for fiscal year 1960, it is estimated by the Department that over 54 percent will be spent for programs which benefit the general public as well as the farmer. Estimated expenditures for fiscal year 1961 indicate the same situation—page 26, part 1, 1961 hearings.

#### AMERICAN CONSUMER EATING BETTER

Further, it should be pointed out that the American consumer is eating more and better food at less cost than ever before in history. While per capita income in the United States has increased steadily each year, consumers are spending a smaller share of this income for food. Department of Agriculture statistics—page 85, part 1, 1961 hearings—indicate that the average American consumer is spending about 21 percent of his income for food, as compared to 23 percent in 1951 and 27 percent at the end of World War II. Figures on page 87, part 1, 1961 hearings, show that 1 hour of factory labor will buy twice as much food as it would 30 years ago. In 1929, 1 hour of labor would buy 6.4 loaves of bread, while in 1959, 1 hour of labor bought 11.3 loaves. One hour of labor will now buy 17.6 pints of milk as compared to 7.8 pints in 1929. The same relationship applies for meat, butter, eggs, potatoes, oranges, and most other agricultural items.

#### DONATIONS AT HOME AND ABROAD

When considering the cost of agricultural programs, it is important to realize that a significant part of the cost of the Department of Agriculture is due to the furnishing of foods to needy people, both in the United States and overseas. Since 1953, \$1.3 billion of surplus foods have been distributed to the needy peo-

ple of this country. This has been of direct help to States and local communities in handling their own welfare programs. In 1959, over 21 million Americans benefited from these surplus foods. Since 1953, approximately the same amount of surplus foods have been given to needy persons in foreign countries. These donations have been made through U.S. voluntary agencies in which church-affiliated organizations have played an important part.

While the cost of the Public Law 480 program, which is paid for in American dollars, is carried in the agricultural appropriation bill and, therefore, charged against the farmer by those who are unfriendly to agriculture, most of the real benefits seem to go to everyone but the American farmer. Some 85 to 90 percent of all foreign currencies received in payment for foods shipped abroad is either given or loaned back to the government of the recipient countries. These funds, which are frequently used to create or expand foreign agricultural production in competition with U.S. producers, are handled by the International Cooperation Administration as a supplement to the regular foreign aid program.

The balance of these foreign currencies are set aside for the use of the United States to meet oversea expenditures which otherwise would have to be met by appropriations from the U.S. Treasury. Under the provisions of section 104 of Public Law 480, these foreign currencies may be used for a variety of U.S. purposes abroad, including market development, trade fairs, supplemental stockpiling, educational activities, translation and acquisition of foreign publications, scientific activities, construction of U.S. buildings and operation of U.S. agencies.

The bulk of these currencies are being used overseas for such things as foreign aid operations, military housing, stockpiling, and educational and research activities. Yet the cost of the foreign currencies used for these programs has been included in the agricultural appropriation bill, rather than in the bills of the appropriate Federal agencies. On May 5, 1958, an official of the Commodity Credit Corporation pointed out that present legislation prevents CCC from even recovering interest which it must pay from those agencies which derive benefits under the barter program of Public Law 480. In connection with oversea military housing financed through this means, he stated:

Under our arrangements with the Department of Defense, CCC will receive reimbursement for its investment from savings in quarters and station allowances which would otherwise be paid to the military personnel occupying the completed housing. Based upon Department of Defense estimates, CCC will not recover its investment in the housing for a period of some 17 years.

During this time, CCC must pay interest to the U.S. Treasury on the \$50 million which it has tied up in the housing. This interest cost, running to about \$14 million, cannot be recovered from the Department of Defense under existing legislation and will be reflected as a charge against the farm program administered by the Department of Agriculture.

In my opinion, I would be derelict in my responsibilities if I recommended the approval of other housing projects of this kind.

#### THE CRANBERRY INCIDENT

The situation which developed last fall with respect to the misuse of chemicals on cranberries and caponettes on a relatively small percentage of total production points up a serious problem facing Agriculture with respect to the use of pesticides and sprays. From the standpoint of public health it should be recognized that many such chemicals are necessary to protect food. Failure to use insecticides could result in the production of foodstuffs even more harmful to human health than those heretofore condemned. Also, pesticides and sprays must be used by farmers to produce the high quality and low cost foods which the consumers of the United States are demanding. Further, the use of sprays is necessary to prevent sizable economic losses to the Nation from pest and disease damage to crops.

The development of more effective insecticides is one of the reasons why only 12 percent of the people in this country are able to feed the other 88 percent—a situation which has never before existed in the history of the world.

Farmers are continually harassed by plant and animal pests and diseases. They cost farmers billions of dollars annually. For example, the European corn borer has become one of the most injurious enemies of corn in this country. It causes substantial losses every year and in recent years these losses have sometimes ranged over \$150 million annually. Cotton insects, principally the boll weevil, cause tremendous annual losses, to which must be added the cost of chemical controls. Cotton farmers must spend \$75 million or more annually for insecticides. Since pioneer days, grasshoppers have caused extensive damage to both crops and rangeland. Annual losses from this pest are over \$100 million. Cattle grubs are distributed over the entire country, causing losses of about \$100 million annually from losses in weight and production, damage to hides, and loss of meat in dressed carcasses.

The wide variety of chemicals used for control of pests and diseases today serves only to allow a farmer to hold his own or stay even in his production. Without the proper use of chemical controls, flies would contaminate milk with filth and create a hazard to the public health. The codling moth, phony peach disease, peach mosaic, pear blight, and the apple maggot plague the farmer by reducing the quality and quantity of his fruit crops. It would not be possible to market apples, peaches, and pears free of worms, rot, scab, and so forth, without proper use of chemicals. These are but a few of the problems which the farmer must meet in order to provide consumers with an adequate supply of safe foods of good quality.

Subsequent to the regular hearings on the 1961 budget, the White House announced that the Department of Agriculture would make indemnity payments of around \$10 million to cranberry growers who sustained losses on good and

wholesome berries harvested in 1959 because the market for good berries had been destroyed as the result of the unfortunate method of handling contaminated berries, which totaled less than 1 percent of the total crop. As a result of this precipitous action, cranberry sales of good berries were cut by two-thirds during the last holiday season. It is estimated that there will be a carryover of cranberries of nearly 1 million barrels of such wholesome berries into the next season, nearly a full year's crop.

The payment of such indemnities are proposed to be made under clause (3) of section 32, which reads as follows:

Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture on to \* \* \* (3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption.

It is understood that payments will be limited to wholesome and edible cranberries. Improperly treated berries have been or will be destroyed. The Department justified its action in making these payments on the basis that damage to the market for good berries resulted from governmental action.

In the opinion of the majority of the members of the committee, this entire situation was uncalled for and most unfortunate. It is believed that this damage to an important industry of the Nation would not have developed had it been handled properly at the outset. Such damage can be and should be avoided in the future. If such action becomes necessary in the future, it is to be hoped that the industry affected can be protected and only those who may have violated regulations will be penalized.

Further, it is expected that responsible officials of the two Departments—Agriculture and Health, Education, and Welfare—will work together with private interests so that they can all share in the responsibility of establishing and announcing standards to be followed in the use of chemicals for agricultural purposes.

The committee also feels that the \$10 million indemnity payment announced by the President is not a proper charge against Agriculture and the Department of Agriculture should not be expected to pick up the check for such damages in the future.

#### AGRICULTURAL RESEARCH SERVICE

Now I wish briefly to discuss the details of the bill before us. We have tried to restrict some of the requests with regard to research.

The committee recommends \$67,934,000 for the research programs of this agency during the fiscal year 1961, which is \$1,047,700 less than the budget estimate. The increase of \$212,410 over funds appropriated for 1960 covers several essential research needs for the coming year.

One of these is research on protection from flood and erosion, which is one of the major needs of our Nation. Through various programs, the Department spends over \$600 million per year for soil conservation and related work. This is

exclusive of funds provided to the Corps of Engineers, and the Reclamation Service. Land owners contribute additional amounts.

For several years, this committee has realized the necessity for research to properly support the action programs of the Department. The committee therefore has provided \$950,000 for establishment of four soil and water conservation research facilities; \$600,000 for staffing and operation of the new Ames Laboratory which will be ready for operation in 1961; \$250,000 for expanded research on tobacco; \$250,000 for research on chemicals and biological measures to reduce or avoid hazards from pesticide residues; \$750,000 for additional utilization research; \$125,000 to enable the Department to increase research where most essential at existing soil and water conservation research facilities; and \$496,400 to cover the Government's share of employee health benefits pursuant to Public Law 86-382.

The \$950,000 included for additional soil and water conservation projects includes \$250,000 for research on improved practices for conservation farming and ranching in the Southwest; \$350,000 to establish a national center for basic research on soil-water-plant relationship in the Northeast; \$200,000 to expand research on hydrology problems in the Southern Great Plains area; and \$150,000 to strengthen existing research at a land-grant college in the Northwest area where an acute erosion problem is causing the loss of soil at an alarming rate. The Department is expected to put these facilities at the appropriate places. The one for the Northeast is to be located at Cornell University, I understand.

Production of tobacco is one of the major agricultural industries of the country. Tobacco is grown on a total of approximately 1.2 million acres in 22 States and is a major source of income in 8 of these States. Total production of tobacco in 1959 was about 1.8 billion pounds which brought over \$1 billion cash income to producers. Tobacco produces about \$2.5 billion per year in taxes, \$1.7 billion of which goes into the Federal Treasury.

At the present time, the tobacco industry faces a number of problems, including fixed price ceilings, fixed acreage, and increased labor costs, which now total 65 percent of production costs. Work methods used in tobacco production are still almost entirely manual and between 400 and 500 hours of human labor is required to produce and harvest an acre of tobacco. These factors make it imperative that means be found to improve and mechanize production and harvesting methods and techniques. Therefore, the committee has added an additional \$250,000 for such research. These funds should be used for planning, construction, and equipping greenhouses and special laboratories for tobacco research work at a new research center to be established in Kentucky from State appropriations of \$1 million.

One of the most promising solutions to the problem of spray residues may come from the development of chemicals and biological control measures which will not leave spray residues on the food mar-

keted. In view of the need to develop better and safer pesticides and sprays, the committee has included an additional \$250,000 in the bill for 1961 which should be used to evaluate, reorganize, and strengthen the programs of the Department in this general area. Such work should be done jointly with the Department of Health, Education, and Welfare and the various private chemical producers throughout the country. Over \$6 million is now being spent annually by the Department for research on insects and chemicals used in sprays and pesticides. Information furnished to the committee indicates that U.S. chemical companies are currently spending another \$25 to \$30 million annually for similar research.

The 1961 budget estimate includes an increase of \$2,212,800 for utilization research, \$1,512,800 by direct appropriation and \$700,000 by curtailing various existing research activities so as to redirect funds from farm research to utilization research. The committee recommends the sum of \$900,000 for this purpose, \$700,000 to come from increased appropriations and \$200,000 to be obtained by redirection from farm research. The committee believes, however, that existing stations should not be closed in working out this redirection of funds; also, there should be no elimination of small projects for pecan research and cotton insect research.

The amount included in the bill for utilization research would provide approximately \$200,000 for research on cotton. It is recommended that, from this amount, the Department should make advance preparations for the operation of the Boll Weevil Laboratory authorized last year, by obtaining personnel to be used on existing research projects until such laboratory is ready for occupancy early in fiscal year 1962. It is further recommended that the balance of these funds be used to carry out essential research at branch laboratories located at Baton Rouge, La.; College Station, Tex., and Florence, S.C., and to strengthen mechanical stripper and gin stand research.

The special fund of \$1 million of unused prior year funds established last year to provide part time subprofessional help on a contract basis has been continued for the coming fiscal year.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman has just referred to utilization research. There is a good deal of misunderstanding about what has been done in regard to utilization of research.

Do I understand that the committee has not stopped the work that is now being carried on by the cotton insect laboratories?

Mr. WHITTEN. We certainly have no intention, and our action does not provide for that.

Mr. POAGE. That is the way I interpreted it.

Mr. WHITTEN. In fact, we want it to be carried on. The department in its submission to us had curtailed the production research program some

\$700,000. That was by direction of the department. The committee in going over the matter found in some areas it might be possible to consolidate things of that sort, so we went along with a \$200,000 cut, but we had no intention of cutting out the work the gentleman refers to, nor did we have any intention of cutting out the two items involving pecan research.

Mr. POAGE. I refer to the entomology laboratory at Waco, Tex. The work of the committee does not close that laboratory?

Mr. WHITTEN. No; it does not.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Idaho.

Mr. BUDGE. In connection with research, as the gentleman from Mississippi is aware, there has been quite a considerable interest in the establishment of soil and water conservation research laboratories throughout the United States. For the fiscal year 1960, the Appropriations Committee of the other body asked the Department of Agriculture to set up a working force to tentatively locate those research facilities. Under the priority list which was submitted to the committee and in its request to the Department there was an item priority numbered 13, a laboratory at Twin Falls, Idaho, which is in the B category and that follows a laboratory of that category having a priority numbered 10 at Bushland, Tex. It is my understanding that the Bushland laboratory is included in the funds in this bill. Now, am I correct in assuming the committee will give careful consideration in following the priority and considering the establishment of priority 13 item at Twin Falls, Idaho, in its next consideration of this bill next year?

Mr. WHITTEN. May I say to the gentleman from Idaho, I know of his deep and sincere desire to get a laboratory in his area. But I am sure the gentleman appreciates the problem of the subcommittee. We had earlier asked that these laboratories be set up on a regional basis. We were unable to get the Department to say what regions should be included. Later in the other body they submitted a list of priorities, and our subcommittee and the Congress last year went along with trying to set up these priorities.

We are spending over \$600 million a year in soil conservation work. The American farmers and others are putting up additional amounts. Our committee has tried to agree on a regional basis to give the necessary research facilities to back up and implement the problem. We have approached it on a regional basis. I am sorry we did not reach the one the gentleman is interested in. The one in the Northwest has to do with a soil erosion program in another area. However, the Twin Falls, Idaho, facility will have the continuing interest of this subcommittee and will have our consideration in the coming year. It is the next category B laboratory in order of priority.

Mr. BUDGE. I thank the gentleman.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Kansas.

Mr. AVERY. I had not planned to interrupt the gentleman until he had concluded his remarks, but since some mention has been made of research facilities I thought this might be the appropriate time to ask a question. I am concerned particularly about an item that has been budgeted for research in pesticides. In another committee, the Committee on Interstate and Foreign Commerce, there is being considered legislation the necessity for which has been brought about by the action taken by the Department of Health, Education, and Welfare.

But it refers directly back to the pesticide problem. In view of the cranberry incident we had last fall and several related problems, I wonder if the gentleman feels that now is the time to terminate the research that is intended to relieve the very problem in the first place.

Mr. WHITTEN. May I say to the gentleman, I do not think our action has terminated research at all. In fact, the records show that some \$6 million is now being spent by the Department in various pesticide investigations. In the present bill we have increased that by about \$250,000 to coordinate their work. In the cranberry incident, it was not a case of the insecticide not having been properly tested. It was a case of less than 1 percent of the total producers using greater quantities, against instructions, of pesticides that were properly cleared.

Now, again, I want to say that this subcommittee is as deeply concerned as is the gentleman and that the cranberry incident was so handled as to practically ruin the market. It should not happen again. But, we do feel that merely providing larger sums of money without coordination is not necessarily the way to answer the problem. In fact, the chemical companies came to me as chairman of the subcommittee and pointed out that they are spending between \$25 million and \$30 million a year themselves in this area. And they said "if the Government is going to take it over, we will quit." Again I say, there is \$6 million in here to carry on that work now. We give them \$250,000 more and ask them to coordinate their efforts with the Department of Health, Education, and Welfare as well as private enterprise, in an effort to handle this problem. But, it is not lack of money that creates the problem.

Mr. AVERY. I probably should not have brought up this cranberry incident, because it brings on a lot of related matters that are not really in question. As I recall the cranberry incident, it is not related to insecticides in the first place. It was a chemical used for a different purpose. But, the point I wanted to make in the area we are moving, there is an increasing use of chemicals, both to stimulate production and also to make for better preservation and to improve attractiveness, sales promotion. Since we are in an area of increasing use of chemicals, the question comes up in my mind whether this is the right time to curtail the research program by the Department of Agriculture, in making and developing better methods to use these chemicals.

Mr. WHITTEN. We have not curtailed it. We have increased it.

Mr. AVERY. But you do not go along with the budgetary recommendation to further extend.

Mr. WHITTEN. That is right. And the support for the budgetary item failed to take into consideration the money that they now have and the need to coordinate their activities. The justification was that the private chemical companies were moving out and therefore the Government had to move in. I took it up with the chemical companies and they said, "No, if the Government is going to move in, we are going to move out. We cannot afford to spend \$25 million or \$30 million a year and then when we produce something, have it taken away from us."

So, their argument would not hold water when we took it up with the folks that said it was necessary. But, the problem still comes in the cranberry incident. It was a misuse of a proven chemical, and that is what we find in just about all of these cases. All the research in the world would not control the fellow that takes advantage and violates the rule.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I just merely wanted to say that we had testimony before our committee that showed that the commercial manufacturers of these pesticides and insecticides were spending in the neighborhood of \$25 million of their own money. So that, also, is an adjunct to the work that the Department of Agriculture is doing. I think that it is very well that industry is spending money in their research on items of this kind.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague on the committee.

Mr. HORAN. Mr. Chairman, I wanted to point out that any number of witnesses before our committee in seeking funds used the need for research in pesticides as an excuse for their appropriation request. We felt that there was not a proper amount of coordination between ARS, the land-grant colleges, and HEW and other places where this sort of research is being carried on. If our action does no more than get a proper amount of coordination between the requests for funds and the work that is to be done—and this is very important work—I think we will have served a very useful purpose.

Mr. WHITTEN. I thank the gentleman.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. BROOKS of Louisiana. I have received some protests about the closing of some pecan experimental stations, one down in Louisiana, and especially about the insecticide work that is being done at those stations. Will the gentleman enlighten us on that?

Mr. WHITTEN. I stated earlier that the committee did not intend that that work should be eliminated or curtailed. It is a small item, but very important to a small industry in certain areas. May I say that the research people were under instructions from officials at the departmental level to cut down and they applied cuts in these places. But the committee differed with them. We do not intend for that work to be eliminated.

Mr. BROOKS of Louisiana. In other words, the money is in the bill for that purpose?

Mr. WHITTEN. That is right.

Mr. BROOKS of Louisiana. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, may I briefly run over some of these items?

For plant and animal disease and pest control, the sum of \$52,011,000 is recommended for the coming fiscal year, an increase of \$2,210,400 over fiscal year 1959 and an increase of \$3,235,400 over the budget estimate, largely for the brucellosis eradication program. The amount proposed includes increases of \$75,000 to put on a full year's basis the regulatory activities under the Federal Insecticide, Fungicide and Rodenticide Act; \$400,000 to expand the plant quarantine inspection staff at ports of entry, particularly those of the St. Lawrence Seaway; \$150,000 for staffing the new Ames Laboratory to be opened in 1961; \$2,167,700 for the brucellosis eradication program; and \$306,000 for employee health benefit costs. These increases are offset by decreases of \$888,300 for non-recurring costs of screw-worm eradication and transfer of leasing costs to the General Services Administration.

During the hearings this year, departmental and other witnesses testified to the need for increased quarantine protection to prevent the introduction into this country of plant and animal pests and diseases. The committee recognizes that continually increasing travel and foreign commerce, a part of which is now coming directly into the Great Lakes area, have added to the danger of such introductions. It is expected that these trends will continue.

While the committee realizes the necessity of preventing agricultural pests from gaining entry into this country, it also believes that the problem can be met without steadily rising Federal costs for handling this problem. The Department is directed to work out with the carriers, representatives of industry, and other agencies and organizations a program, first, to place additional responsibility on the carriers to provide absolute notice to all travelers, to the end that any person who may bring prohibited articles into this country will have willfully violated such restrictions; and second, to provide a system of fines which will offset this increasing cost as well as reduce the danger.

In view of the fine relationship between this country and Canada, and the joint interest in this problem, the committee also believes that it would be far better if arrangements were worked out to check all incoming ships at the original port of entry of the St. Lawrence Seaway.

This should prove more effective and more economical than the procedures presently contemplated.

The 1961 budget included \$15,582,300 for brucellosis eradication, a reduction of \$1,250,000 below the 1960 appropriation. A great deal of testimony was received from Members of Congress and others as to the urgent need for further expansion, rather than reduction, of efforts by the Federal Government in this area. In addition, information was presented to show that the reduced level of expenditure proposed for 1961 would not only postpone eventual eradication by many years, but would double or triple the cost of eventual eradication. In view of this very convincing evidence and strong support for the expansion of this work, the committee has included a total of \$19 million in the bill for 1961.

The bill includes \$21,562,000 for meat inspection for 1961. This amount provides an increase of \$237,100 for employee health benefit costs. It permits the continuation of meat inspection activities of the Department at the 1960 level of operation.

The 1961 budget for the first time proposes appropriations for the use of foreign currencies generated from sales under title I of Public Law 480. Previously these funds have been spent without the usual appropriation controls. The estimates under this head include funds for market development research under section 104(a) and agricultural and forestry research under section 104(k).

The committee recommends \$15,131,000 for 1961, an increase of \$3,074,500 over funds expected to be used for these purposes in fiscal year 1960. Since Public Law 480 was created originally to develop and expand foreign markets for U.S. agricultural products, the committee feels that the full amount is justified. Further, it feels that the use of foreign currencies for market development and related research should have priority over other purposes for which such currencies may be used under the law.

Language was included in the Appropriations Act last year authorizing the transfer of the land used by the Entomology Research Laboratory at Orlando, Fla., from the Defense Department to the Department of Agriculture. In the report, the committee called on the Department to select possible alternative sites so as to eventually sell this valuable land for commercial use. The 1961 budget proposes an appropriation of \$900,000 to provide new facilities to replace those located on the property at Orlando proposed for sale.

The committee has disallowed the proposed appropriation and has included in lieu thereof language which will permit the sale of these facilities and the use of the proceeds for the establishment of a new laboratory at whatever site the Secretary of Agriculture may determine.

An appropriation of \$31,803,000 is proposed for grants to State experiment stations for the coming fiscal year. This amount includes \$31,553,000 for payments to States and \$250,000 for the penalty mail costs of the program.

The appropriation recommended continues available in 1961 the program provided for 1960, the appropriations for which represent an increase of 150 percent over funds provided for this purpose in 1952.

#### EXTENSION SERVICE

The sum of \$55,715,000 has been included in the bill for 1961 for payments to States and Puerto Rico, an increase of \$2 million over funds provided for fiscal year 1960.

The budget request proposed an increase of \$2,865,000 for additional personnel to strengthen and expand the rural development program. The increase was requested for additional personnel, to provide rural development help in new areas similar to the work now being carried on in about 200 counties. The committee agrees that some attention should be given to this need in the other counties of the Nation not now covered. It feels, however, that the work should be performed by the regular extension agents and work force in such counties. It does not feel that the building up of a separate organization or additional staff to carry on this activity is advisable. The committee has therefore provided \$2 million for such regular extension workers as may be needed in counties which desire to set up this program.

A number of States have used the substantial increases made in this item in recent years for additional personnel at the State and county levels. Many of these States have failed to maintain the salaries of county agents at a level comparable with agents in other States. In such States, the funds in this bill should be used for the present number of employees at the county level to place salaries at a level comparable with other States. Testimony before the committee indicates that salary increases are needed in 22 States to maintain comparable levels. Further, the disproportionately large amount which has been used for specialists at the State level in recent years would indicate that further increases for that purpose are not warranted at this time.

In discussing economic conditions in agriculture with the Director of the Extension Service during the hearings this year, the lack of interest by young people in farming as a means of livelihood was considered. It is significant to note the gradual decline in agricultural students. Department figures found on page 527, part 1, 1961 hearings, show that only 31,722 out of 411,437 undergraduate students in the Nation were enrolled in agricultural courses in 1959.

For retirement costs for extension agents, the bill includes \$5,875,000 for fiscal year 1961, an increase of \$200,625 over 1960 funds and a decrease of \$86,000 in the budget estimate. The additional funds allowed will be required to cover the Federal share of retirement costs for the increased funds allowed for county extension workers.

The committee recommends \$2,490,000 for penalty mail costs of State extension directors and county extension agents during 1961, as authorized by law.

This is approximately the same amount as was provided for fiscal year 1960.

The Federal Extension Service provides for leadership, counsel and assistance to the 50 States and Puerto Rico. As of November 30, 1959, there were 238 employees in this organization, 231 of whom were stationed in Washington.

An appropriation of \$2,255,000 is proposed for fiscal year 1961. This amount provides an increase of \$12,460 over 1960 for employee health benefit costs. It is a reduction of \$137,660 in the budget estimates.

#### FARMER COOPERATIVE SERVICE

The Service carries on its work through three program divisions—Marketing, Purchasing, and Management Services. On November 30, 1959, the Service had 110 employees, all stationed in Washington.

The sum of \$620,000 is recommended for the coming fiscal year. This includes an increase of \$4,200 for employee health benefit costs. It is a reduction of \$24,650 in the budget estimate.

#### SOIL CONSERVATION SERVICE

During the current fiscal year, soil conservation assistance has been provided for 30 new districts which have come into existence. It is expected that an additional 20 districts will be organized in 1961, which will bring the total to 2,911 districts by June 30, 1961.

The committee recommends an appropriation of \$83,132,000 for the coming year, an increase of \$810,000 over the 1960 appropriation and an increase of \$250,000 over the budget estimate. Of the increase over 1960, \$600,000 is required to cover employee health benefit costs. This is offset by a transfer of leasing costs of \$40,000 to the General Services Administration. The balance of the increase, \$250,000, is provided to meet the increasing needs for technical assistance, particularly for the 20 new districts expected to be organized next year.

For watershed protection, the bill carries an appropriation for 1961 of \$32 million. During the 1960 fiscal year, a total of \$32,276,964 is available for this program, including an appropriation of \$22,750,000 and a carryover of unused funds from fiscal year 1959 of \$9,526,964. The amount of \$32 million included in this bill, therefore, will make available approximately the same amount for fiscal year 1961. The amount is sufficient to restore the planning funds available in 1960 and to finance a total of 42 planning parties during the next year.

Testimony before the committee indicates that more than 1,200 communities throughout the Nation have requested help in developing watershed plans. It further shows that assistance has been authorized for about 500 of these, that some 200 plans have been approved, and that construction has started on about half of these. In view of the large number of applications still awaiting plans, and in view of the large number of approved projects awaiting construction funds, the committee has increased the watershed protection funds above the amounts requested. In the

opinion of the members of the committee, the amount of interest in this program in all areas of the country, and the urgent need for increased attention to the conservation of the soil and water resources of this country, warrant even larger amounts than those recommended in the bill.

For the flood prevention work in the 11 major watersheds authorized by the Flood Control Act of 1944, the committee has included an appropriation of \$18 million, the same as provided for fiscal year 1960.

Legislation just enacted authorizes additional works of improvement in accordance with the provisions of section 4 of the Watershed Protection and Flood Prevention Act in connection with the 11 watershed improvement programs provided for by the Flood Control Act of 1944. It also authorizes the making of loans to cover the local share of both the flood prevention and non-flood prevention features of these 11 watersheds. Therefore, language has been included to make the flood prevention appropriation available for these purposes.

As pointed out in last year's report, the work under this program has lagged far behind that envisioned when the program was initiated in 1944. It now appears that this flood prevention work, which was originally estimated to take 15 years to complete, will take 40 years or more to complete at the present rate of progress. If slowed down even more, as proposed in the 1961 budget, this time could be extended another 10 years.

Floods in the United States cause damages of more than \$1 billion per year. The Department of Agriculture estimates that about 56 percent of all these damages occur in upstream watersheds, primarily to agricultural interests. It is estimated that the 212 approved Public Law 566 projects covering 12.5 million acres will reduce average annual flood damages of \$16 million by 78 percent. In the 11 authorized flood prevention watersheds covering 30 million acres, the programs, now 30 percent installed, will reduce the \$40 million annual flood bill by more than three-fourths when completed.

The severe April-June 1957 floods in Texas, Oklahoma, and Arkansas caused \$159 million damages in upstream watersheds alone. Small watershed programs completed on less than 2 percent of the area prevented losses of more than \$2 million. If all upstream watersheds had been treated, 70 percent of the losses equal to \$109 million could have been prevented. Even though 56 percent of total flood losses occur in upstream watersheds, Federal appropriations have provided about \$63 for flood control on main streams to every \$1 for upstream watershed flood prevention.

For the Great Plains conservation program, the bill includes the full budget estimate of \$10 million for fiscal year 1961. This will permit the continuation of the program at the 1960 level of operation.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield on that point?

Mr. WHITTEN. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. In regard to the money for watershed protection projects, does the gentleman from Mississippi now feel that the amount appropriated in this bill is adequate to carry on the program for the projects that have been approved already or are in the final planning stages?

Mr. WHITTEN. I think so; all things considered. In this area, frankly, we could probably use, if we had the personnel, several times the amount of money in this bill. But we have tried to be practical. We restored \$7,250,000 to bring the amount of money up to this year's level. We restored the money that we felt was necessary to carry on these projects, those that are completed and ready to go. We restored money for the planning parties so that they could proceed with planning. Within limitations that we thought were sound and sensible we restored as fully as we could the moneys we thought were necessary. And it took a good deal of money to bring them up, because they had been cut.

#### AGRICULTURAL CONSERVATION PROGRAM

An appropriation of \$242 million is included in the 1961 bill for payments earned under the program authorized in the 1960 Appropriation Act. This amount, which is a reduction of \$600,000 below the budget estimates, is believed to be adequate to meet all commitments under the 1960 program. The amount recommended is the minimum which must be provided, however, since commitments under the 1960 program authorization are binding upon the Government and the Congress.

The committee also has restored the authorization for the 1961 program to the \$250 million level. This is the fifth time since 1952 that the budget has proposed to reduce the size of this program. In every year but one, Congress has restored the full \$250 million level of operations. Declining farm income makes it imperative that the Nation continue this program to prevent further depletion of the Nation's soil.

As has been pointed out in prior years, this program provides the primary financial support for the entire conservation effort of the Department. The program has about 1¼ million participants each year, which represents 25 percent of all farming units in the United States. Further, it gets conservation work done at much less cost to the Government than other programs such as the conservation reserve and the Great Plains program. The average ACP payment per participant is less than \$250 and the cost per acre averages about 60 cents, as compared with payments under the Great Plains program of \$4,000 per farmer and \$2 per acre.

The budget proposes the elimination of the proviso inserted last year placing restrictions on the distribution of ACP funds among counties. It will be recalled that this language is designed to prevent changes in fund allocations as a means of forcing the elimination of practices which might otherwise be included by a county in its list of approved practices. The committee has retained the

language for 1961. It is of the opinion that State committees can make changes from 1958 allocations on a reasonable basis by exercising their authority to reallocate funds among counties as fund requirements change.

#### AGRICULTURAL MARKETING SERVICE

An appropriation of \$43,153,000 is recommended for 1961, including \$16,315,000 for marketing research and agricultural estimates and \$26,838,000 for marketing services. The amounts proposed are \$11,100 over the budget estimate and \$1,685,900 over the 1960 appropriation.

The increase provided for the marketing research and agricultural estimates appropriation includes \$750,000 to initiate a long-range program to improve crop and livestock estimating services; \$50,000 to provide for agricultural estimating services in Hawaii and Alaska; and \$102,500 for employee health benefit costs.

The increase for marketing services provides \$50,000 for more effective supervision of grain inspection; \$40,000 to strengthen enforcement of the Federal Seed Act; \$31,000 for initiation of market news services in California and Louisiana; \$500,000 for additional poultry inspection; and \$207,600 for employee health benefits. These are offset by a reduction of \$45,200 due to transfer of leasing costs to the General Services Administration.

A total of \$10,796,000 has been included for poultry inspection during the coming fiscal year. This is an increase of \$500,000 over funds provided for 1960 to be used to provide inspection at poultry products processing plants as deemed by the Department to be necessary for the protection of public health. This action has been taken by the committee in order to provide additional protection to the consumers of the Nation.

Considerable testimony has been received by the committee indicating the need for additional research funds for this agency to expand cotton quality evaluation research at Clemson, S.C., and Lubbock, Tex., and to undertake additional types of research to improve cotton fiber, to develop improved instruments for measuring cotton quality, and to learn more about how cotton fiber performs during the weaving and finishing processes.

The committee is unable to provide additional funds at this time for this purpose. It recognizes the importance of this problem, however, and feels that work along these lines should be undertaken during the next year. It recommends, therefore, that the additional work proposed at Clemson and Lubbock be undertaken by the redirection of funds from present research on costs and margins of marketing cotton, and cottonseed economic studies and evaluations. It further recommends later in this report that basic fiber research, instrument development, and studies of weaving and finishing facilities be undertaken on a contract basis through the use of Commodity Credit Corporation funds available for research purposes.

For payments to States and possessions, the full budget estimate of \$1,195,000 is recommended for the coming fis-

cal year. This is the same amount as appropriated for fiscal year 1960. Payments under this appropriation are made on a matched fund basis to State and territorial marketing agencies for programs designed to get into practical use improved methods and practices in the marketing of farm products.

For the school lunch program, the committee recommends an appropriation of \$110 million for fiscal year 1961. This is the full budget estimate and is the same amount as appropriated for 1960. In addition, the committee recommends the transfer of \$45 million from section 32 funds to be used to purchase meats and other foods needed to provide balanced school lunches. This will provide a minimum of \$155 million for this program for 1961, which should also be supplemented by other transfers of surplus foods from sections 32 and 416.

This program provided noonday meals to over 30 percent of the Nation's 39,480,000 school children in 1959. The program served an average of over 10.7 million children during the 1959 school year, with a peak participation of over 12 million in 1 month.

Total funds spent for school lunches and the special milk program during the current fiscal year, including Federal, State, and local contributions, and commodities furnished from Federal sources, are estimated at \$1.077 billion. This represents a sizable market for agricultural products and is an important contribution to the health and welfare of the Nation's school children.

#### FOREIGN AGRICULTURAL SERVICE

The budget estimate provides a total of \$7,176,300 for this activity during the coming fiscal year. Of this amount, \$4,637,300 is requested as a direct appropriation and \$2,539,000 is requested as a transfer from section 32 funds.

The committee recommends funds for fiscal year 1961 of \$6,940,000, an increase of \$928,700 over 1960 funds and a decrease of \$190,300 in the budget estimate. Of this amount, \$4,447,000 is provided by direct appropriation and \$2,493,000 is provided by transfer from section 32. The increase includes an additional \$800,000 to cover by direct appropriation for the first time certain attaché expenses paid in prior years from foreign currency allocations; \$110,000 for new attaché posts in several Eastern European and north African countries; and \$18,700 for employee health benefits.

The foreign currency appropriation, which appears in the 1961 bill for the first time, provides funds for the purchase of foreign currencies for purposes for market development under section 104(a) of Public Law 480 and participation in agricultural and horticultural exhibitions under section 104(m) of that act. Heretofore funds have been used for these purposes from Budget Bureau allocations rather than annual congressional appropriations.

An appropriation of \$14,621,000 is recommended for fiscal year 1961, an increase of \$8,777,622 over funds available for 1960. As explained in connection with a similar item under the Agri-

cultural Research Service, the committee feels that the use of these foreign currencies for the expansion of foreign markets for U.S. agricultural commodities, as intended by Congress when Public Law 480 was adopted, is of primary importance.

These appropriations are intended to give effect to the legislative policy established by the Congress in section 104(a) of the Agricultural Trade Development and Assistance Act, which directs (1) that there be set aside for market development purposes from sales proceeds and loan repayments an amount not less than the equivalent of 5 percent of the total sales made under title I after September 29, 1959; and (2) that special effort be made in entering into sale and loan agreements to provide for sufficient convertibility to obtain the currencies needed for use in countries which offer a reasonable potential of becoming dollar markets for U.S. agricultural commodities.

The countries which offer the best market possibilities are frequently those where sales are made for dollars rather than for foreign currencies under Public Law 480. Therefore, foreign currencies are not always available in those countries where most needed. The funds appropriated by this paragraph are not restricted to the purchase of currencies in those countries which have excess currencies or which may be classified by the Bureau of the Budget as excess to other uses. Such funds may be used to purchase the currencies of the countries where market potentials exist or to purchase currencies which are convertible into the currencies of such countries.

In order to make certain that foreign currencies are available in those countries which market potentials and where market development work is most likely to be effective, the committee has included language in the bill to set aside currencies for this purpose as provided by the amendment to section 104(a) of Public Law 480 adopted last year.

#### COMMODITY EXCHANGE AUTHORITY

The bill carries an appropriation of \$930,000 for fiscal year 1961. This is a reduction of \$11,325 in the budget estimate. The increase of \$20,500 includes \$14,000 to expand investigations of abuses and unlawful market practices, and \$6,500 for employee health benefit costs.

Recent investigations of trading on three different commodity exchanges have revealed rather widespread trade practice violations on each of them. The increase proposed will permit more frequent investigations of these markets and more effective enforcement of the Commodity Exchange Act.

#### COMMODITY STABILIZATION SERVICE

For acreage allotments and marketing quotas, the full budget estimate of \$40,135,000 is provided for 1961. This is a decrease of \$400,000 below funds provided for fiscal year 1960, including \$1,400,000 appropriated in the Second Supplemental Appropriation Act, 1960.

In addition to other activities of this program, the funds allowed will enable the Department to check up to 75 percent of the upland cotton crop during

fiscal year 1961 as a basis for issuance of marketing certificates, as required by law.

For the sugar act program, the committee recommends the full budget estimates of \$74,500,000 for 1961, an increase of \$3 million over the 1960 appropriation. This increase for mandatory payments to sugar producers is based on a projected increase of 287,500 tons of sugar in 1960 over 1959 production.

An appropriation of \$310 million is provided to pay off obligations incurred under 1960 and prior year conservation reserve programs. This is a reduction of \$51,783,000 below the budget estimate and is \$25 million below funds provided for fiscal year 1960.

Justifications presented to the committee indicate that a balance of \$30 million of prior year appropriations will be available in 1961 for payments to producers. The 1961 appropriation has, therefore, been reduced by this amount. Further, funds included for Commodity Stabilization Service operating expenses at the national, State, and county levels appear to be overstated in the budget and have been reduced accordingly.

In a report released last December, the Comptroller General of the United States stated that 5.4 million acres, or 23 percent of the land retired under the conservation reserve had no history of crop production in prior years. He further stated that, based on a national average rental rate of \$10 per acre, the payments on such land have amounted to \$54 million annually, or about \$270 million over the 5-year average life of the contracts. The committee is gratified to learn that, beginning with the 1960 contracts, greater restrictions have been placed on eligibility requirements for land placed in the conservation reserve. It is disappointed and shocked by the fact, however, that such large sums of money have been expended without real reduction in production.

In view of the findings of the Comptroller General, the committee contemplates that the Department will review all contracts now in force and will use every means available to recover in such cases. Where there have been misrepresentations as to prior production records, or other substantial misrepresentations, contracts should be canceled and money erroneously paid should be recovered. Where contracts represent a bad financial arrangement for the Government, even though valid, efforts should be made to work out a cancellation arrangement and settlement in order to avoid further expense to the Government. In expectation of some savings from such an effort, the committee has reduced the 1961 appropriation an additional \$20 million.

The legislative authorization for this program expires at the end of the current year. Therefore, no authorization is included in the bill for a 1961 conservation reserve program.

#### FEDERAL CROP INSURANCE CORPORATION

The 1961 bill carries an appropriation for this program of \$6,376,000, which is the same amount as was provided for the current fiscal year.

In addition, authority is provided for the Corporation to spend \$2,630,000 from

its premium income for administrative costs in fiscal year 1961. This provides an increase over 1960 of \$300,000. Employee health benefit costs will require \$31,400 of this amount. The balance is required to expand this program to 35,000 new crops and 15 new counties in the coming year.

The program is operating in 865 counties in fiscal year 1960 and is expected to be extended to 880 counties in 1961. The program for 1961 contemplates 425,000 crops insured as compared to 390,000 in 1960. During the 11 years that the program has been operating on a limited experimental basis, premiums have exceeded indemnities by about \$2 million.

#### RURAL ELECTRIFICATION ADMINISTRATION

The 1961 budget proposed authorizations of \$110 million for electrification loans and \$80 million for telephone loans. No contingency fund was included. The committee recommends the full budget estimate for both programs. It further recommends a contingency fund of \$50 million for each program.

It is estimated that the Department will begin fiscal year 1961 with \$235 million of electrification applications on hand and will receive further applications during 1961 of \$217 million, making a total of \$452 million for consideration in 1961. It is further estimated that \$110 million of prior year loan funds will be carried over into fiscal year 1961. This carryover, plus the \$160 million recommended in this bill—including the contingency fund—will provide a total of \$270 million to meet this need in 1961. A total of \$245 million of electrification loans are expected to be made in the current fiscal year.

For the telephone program, it is estimated that applications totaling more than \$135 million will be on hand at the beginning of fiscal year 1961 and that additional applications of \$120 million will be received during the year, making total applications of \$255 million for consideration in 1961. The amount provided in the bill, \$130 million—including the contingency authorization—will meet about half of this need. Telephone loans will total \$105 million in fiscal year 1960. There will be no carryover of 1960 telephone loan funds into 1961 fiscal year.

Collections on electrification loans in 1960 are expected to be \$157 million. This amount should be even larger in fiscal year 1961, and should equal or exceed the \$160 million authorized for loans in the bill for 1961. The repayment record of this program is still amazingly good, despite low farm income. Delinquencies of more than 30 days are only \$400,000—about thirteen-thousandths of 1 percent of loans outstanding.

The full budget estimate of \$9,632,000 is proposed for administrative expenses for the coming fiscal year. This is the same amount as appropriated for fiscal year 1960.

#### FARMERS HOME ADMINISTRATION

For the lending programs of this agency for fiscal year 1961, the bill includes total loan authorizations of \$227 million. This authorization includes

\$26,900,000 for farm ownership loans, \$197,100,000 for farm operating loans, and \$3 million for soil and water conservation loans. The amounts recommended for ownership and operating loans are the same as the amounts to be loaned in fiscal year 1960. In addition, the bill includes a \$40 million contingency authorization. Not to exceed \$5 million of this may be used for farm ownership loans and the balance is available for the farm operating loan program.

Evidence before the committee indicates that credit for agricultural purposes is very tight and that interest rates are increasing rapidly. In many areas of the country, commercial credit is no longer available to farmers. It is reported that some production credit associations of the Farm Credit Administration are charging up to 8 and 9 percent for agricultural credit, and the general average appears to be between 6 and 7 percent.

These factors have forced many farmers to turn to the Farmers Home Administration which was established to provide credit to farmers who had no other source of credit. It is to meet this increasing need that the committee has restored the 1960 level for loans and has provided the contingency authorization mentioned above. The committee feels it essential that this organization be in a position to assist in the adjustment many farmers are having to make due to depressed conditions in agriculture. The committee notes that the full \$20 million contingency provided for 1960 has been used and more is needed.

Of the original authorization of \$450 million provided in Public Law 1020 approved August 7, 1956, for farm housing loans, an unused balance of \$297 million is expected to be available in fiscal year 1961. The Department estimates that it will use only \$25 million of this amount in the coming year. The balance of the authorization will be available, however, if needed to meet unanticipated demands for farm housing loans.

It has come to the attention of the committee that this organization has established two sets of standards for housing loans—one set for counties which are participating in the rural development program, and another set for the other rural counties of the Nation. Many of the members of the committee feel that citizens of other than rural development counties should have the same opportunities and directs the Department to change its practices and procedures to that end.

The committee has approved \$30,500,000 for the administrative costs of this program for fiscal year 1961. This is \$244,750 less than appropriated for the current year and \$967,650 less than the budget estimate. In addition to this appropriation, this organization will also have \$1 million available in 1961 from the farm tenant mortgage insurance funds for administrative expenses. Also funds for administrative expenses are available from the disaster loan revolving fund as needed. In 1960,

transfers for administration of disaster loans will exceed \$3 million.

While the total loan volume of this agency continues to increase due to reduced farm income, there are still a number of areas where there are few applications and little or no need for FHA field offices. The administrative funds have been reduced, therefore, with the request that the Administrator re-examine his field operations so as to reduce or eliminate offices wherever possible.

#### OFFICE OF THE GENERAL COUNSEL

The sum of \$3,358,000 is recommended for fiscal year 1961 for this office. The increase of \$195,975 above the 1960 appropriation is provided to meet the employee health benefit costs of this organization and to handle the increased workload related to the legal work of the various marketing and regulatory activities of the Department.

#### OFFICE OF THE SECRETARY

The committee recommends the full budget estimate of \$2,899,500 for the coming year. This is an increase of \$18,500 over 1960, all of which is required to meet employee health benefit costs in fiscal year 1961.

#### OFFICE OF INFORMATION

The bill for fiscal year 1961 includes a recommended appropriation of \$1,478,000 for the work of this office. This is an increase of \$46,335 above 1960 funds, which includes \$6,335 for employee health benefit costs and \$40,000 to meet the increased demands on this office for information services, including, first, policy clearance and review of processed publications; second, regionalized radio tape service; and third, cataloging and distributing agricultural photographs.

Considerable interest has been expressed by Members of Congress and others in the 1959 yearbook called "Food," in view of its appeal to city consumers as well as agricultural people. The demand has become so large that a reprint appears necessary. It is estimated that it will cost \$180,000 for a full reprint or \$90,000 for half an edition.

The sum of \$213,000 is included in the bill for printing of an agricultural yearbook. The committee recommends that half an edition of "Food" be reprinted and that the number of copies of the 1961 yearbook on seeds be reduced to permit publishing and release within the remaining funds available for yearbook purposes.

#### LIBRARY

The sum of \$895,000 is proposed for 1961 by the committee. This is an increase of \$63,100 over 1960, which includes \$6,880 for employee health benefit costs and \$56,220 for (a) processing gift and exchange material and making it available for use, (b) improving bibliographic service, and (c) providing for additional purchases of publications.

In order to meet the research needs of the various divisions and agencies of the Department adequately, some additional staff is required to make books and publications in the library more readily ac-

cessible and to assist scientists and researchers in locating material needed. Therefore, the committee has approved the increases proposed in the budget for 1961.

#### COMMODITY CREDIT CORPORATION

The sum of \$1,226,500,000 is recommended for restoration of capital impairment of the Corporation. This includes \$632 million for realized losses through June 30, 1959, and \$594,500,000 for losses incurred through December 31, 1959. This is a reduction of \$98,500,000 in the 1961 budget estimate.

A breakdown of the realized losses for the fiscal year 1959, for which \$575 million was provided in the Second Supplemental Appropriation Act, 1960, and \$632 million, as included in this bill, is as follows:

[In millions]	
Price support program:	
Basic commodities.....	\$567
Mandatory nonbasic commodities....	198
Other nonbasic commodities.....	46
Strategic materials.....	-6
<hr/>	
Total, price supports.....	805
Commodity export program.....	132
Interest, administrative and other (net).....	195
Special milk program.....	75
<hr/>	
Total, realized losses.....	1,207

Data furnished by the Department shows that \$620 million—about half—of this realized loss is for price support transactions. The balance represents payments to nonfarm people for storage, transportation, administration, and interest.

On March 16, 1960, the Department proposed a lower rate schedule for storing price-support grain. Estimates placed in the record, page 666, part 3, 1961 hearings, indicate that an estimated \$98,500,000 can be saved if this reduction is put into effect. With the expectation that the Corporation will reduce storage charges as proposed and otherwise improve storage practices during the coming year, the committee has reduced this item by the estimated saving of \$98,500,000.

The basic charter of the Commodity Credit Corporation contains authority for research on commodities with which it deals. One of the purposes of such research is to minimize or eliminate the losses on commodities in CCC inventories. Information furnished the committee shows that CCC funds are now being used for research on grain. In 1959, \$146,575 was used for this purpose and it is estimated that \$142,100 will be spent in fiscal year 1960.

The committee believes that the Corporation should continue this type of research, particularly with reference to the major commodities. It also feels that contracts to meet specific problems are much more sound than an overall increase of permanent employees for this type of work. It believes, however, that such research activities should be handled so as not to incur unusually excessive costs or endanger the market for existing business concerns for any industrial products involved.

Appropriations totaling \$1,443,634,000 are recommended to reimburse CCC for the cost of these various special programs through June 30, 1960. The amount recommended is an increase of

\$175,536,500 over the appropriation for this purpose for fiscal year 1960. A further breakdown of costs for fiscal years 1959 and 1960 and funds recommended for 1961 is as follows:

officers of the Corporation to protect its assets and thereby the taxpayer, that these actions do not constitute "effective and efficient" conduct of the Corporation's business.

Does the gentleman indicate that the inference to be drawn from this language is that Government warehouses should be used first before private warehouses are used?

Mr. WHITTEN. Let me put it this way: If the Corporation owns a warehouse and can keep its grain in its own warehouse, certainly we do not think it should keep its own space empty and pay somebody to store the grain. At the moment I do not see that in the report, but it is in the report.

Mr. YATES. Stated specifically?

Mr. WHITTEN. Yes.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. BROWN of Ohio. I read with a great deal of interest the report on pages 11 and 12 with respect to storage costs. Was this report made before the Commodity Credit Corporation, or whoever it was, made the cut in storage cost to eliminate the big profiteers and help the little elevator operators in some States?

Mr. WHITTEN. This report was written subsequent to the Department's original pronouncement. The course of events was that our committee had an investigation made. We took it up with the Department on February 3, and on March 16 they made their announcement.

They called me and asked if we would support them in bringing the cost down. I said that I would for myself but I could not speak for the committee. Before in the report we call on them to cut costs. We give them considerable latitude. We also mentioned farmer-owned storage. The farmer has to take his storage the first year. He has to take that loss. So we wrote our language in the report as support for the announcement.

Mr. BROWN of Ohio. We have in Ohio small elevators. We produce a grade and type of wheat that is not in oversupply, but it is used for the making of flour and the grain goes in and out of these elevators rather rapidly. I am advised that the average profit of the elevator operators in Ohio is only between 4 and 5 percent. There has been no profiteering. I am also advised, as late as this morning, that the cost support cut of 19 percent on all elevator storage rates will just simply close a lot of the small warehouses—and we have no large terminal warehouses in Ohio—the small elevators, and the farmers will have no place to take their grain.

Mr. WHITTEN. May I say to the gentleman, we do not take credit for nor do we underwrite the Department's method of handling this. For instance, we see some sense in a uniform grain storage rate for uniform warehouses. Personally, I cannot see that you ought to pay the same rate to a fellow who can liquidate the total cost of his warehouse in 16 months as one or two of them have

Project	1959 (1958 costs)	1960 (1959 costs)	1961 (1960 estimated costs)
International Wheat Agreement.....	\$80,800,000	\$47,404,779	\$32,572,000
Emergency famine relief to friendly peoples.....	119,270,000	96,601,678	107,094,000
Sales of surplus agricultural commodities for foreign currencies.....	1,033,515,000	968,016,000	881,000,000
Grain for migratory waterfowl feed.....	18,506	17,363	18,000
Transfer of bartered materials to supplemental stockpile.....	82,250,335	129,000,000	422,950,000
Advances to Agricultural Research Service for animal disease eradication activities.....	19,390,100	1,036,192	-----
Advances to Agricultural Marketing Service for classing cotton and grading tobacco.....	1,510,870	608,926	-----
Unobligated balance.....	-----	25,412,562	-----
Total appropriation or estimate.....	1,336,754,811	1,268,097,500	1,443,634,000

As has been pointed out previously, these activities are carried on outside of the regular functions of the Corporation. Its funds and facilities are used merely as a convenient means of financing these programs. They are not related in any way to the price support program of the Corporation.

The bill for 1961 includes an authorization of \$44,726,000 for administrative expenses of the Corporation during the coming fiscal year. This is an increase of \$2,326,000 over the 1960 limitation and is \$3,702,000 less than the budget estimates.

The sum proposed includes an additional \$326,000 for employee health benefit costs and \$2 million to provide a contingency reserve to enable the Corporation to meet unforeseeable increases in workload during the next year.

The heavy workload volume of the new cotton program which was begun in 1960 is expected to continue in 1961. Acquisitions of grain in 1961 are estimated to be heavier than in 1960 due to a 384 million bushel increase in takeovers from the 1959 corn crop; wheat loans, acquisitions and disposals in 1961 are also expected to exceed those in 1960.

Since price support is mandatory for many commodities, and the volume of loans and purchases cannot be controlled, the provision of a contingency reserve as mentioned above appears necessary.

#### FARM CREDIT ADMINISTRATION

The bill includes an administrative expense limitation of \$2,480,000 for the Farm Credit Administration for fiscal year 1961, which is the amount included in the budget estimates. The increase of \$170,000 over the 1960 limitation is required to cover the full year cost of the transfer of 37 employees from the Federal Land Bank payroll to the Farm Credit Administration payroll authorized by the Farm Credit Act of 1959. These are employees of the Farm Credit Administration who have been paid by the Federal land banks as a matter of convenience. No increase in cost or number of employees is involved.

The bill also includes language which authorizes expenditures necessary in the liquidation of the Federal Farm Mortgage Corporation and the sale of its mineral

reservations. All Government capital has been repaid.

Mr. YATES. Mr. Chairman, will the gentleman yield for a question?

Mr. WHITTEN. I yield to the gentleman.

Mr. YATES. The committee's report on page 11 touching on storage costs raises a question in my mind, and that is this. Can the gentleman give any reason why a limitation should not be placed in this appropriation bill which would require funds that are expended to be used first for Government storage of surplus commodities rather than permitting it to go to private warehouses?

Mr. WHITTEN. It would be pretty hard to reach what you are talking about mechanically. This is a corporation that under the basic law has full authority to operate as a corporation, to sell and to buy. A limitation on the use of administrative funds probably could be worked out, but the Department, after our hearings and after we discussed our investigators' report, on March 16 announced it was cutting the rates back.

We approached it that way because there is such a wide variety of different situations and different kinds of things. We felt we were not in a position to write out the details of a specific contract in a specific area.

Then we implemented that by failing to restore \$98.5 million which they had justified for carrying storage at the present rate. I do think under the present circumstances that is sufficient.

In our report we further told them that under the law, which states that they shall carry on an effective and efficient operation, we feel they should keep Government warehouses filled first in order to carry that out. I would say that we have gone far enough for the moment. If they do not carry this out, I would certainly be glad to cooperate with the gentleman next year to see that it is done.

Mr. YATES. I am glad the gentleman made that last point, about using Government warehouses first. I did not see that in the report. The language of the report on page 12 states:

It is the opinion of the majority of this committee, in view of the obligation of the

done as to an established warehouse that gives you full protection.

What we are trying to do is to point out the things we think have been poor business. We point out the law which says this must be carried on in an efficient manner. That means pulling the costs down but giving them latitude as to how to do it. This straight across-the-board cut, to my mind, is not the way they should have handled it. But the fact I differ with them is not surprising, because I have differed with them many times as the gentleman knows.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield myself such time as I may require.

#### GREEN ACRES PROGRAM

Mr. Chairman, I would like first to say it is a pleasure for me personally to work under the chairmanship of a gentleman such as Mr. WHITTEN, of Mississippi, and to be associated with a man like WALT HORAN, of Washington. By the way, JAMIE and I have been on this particular subcommittee for 17 years. We are almost making a career out of it. We have had the company of Mr. HORAN there for about 15 years and Mr. MARSHALL, another very fine gentleman from my own State, has been around for some 12 years. Our able colleague from Kentucky, Mr. NATCHER, has been with us on the committee for about 6 years and we have two comparatively new members, our colleagues the gentleman from New York [Mr. SANTANGELO] and the gentleman from Illinois [Mr. MICHEL]. It is a pleasure to work with these gentlemen. I have always found them eminently fair, and I want to preface the remarks I am about to make by expressing my sentiments toward my fine colleagues on the subcommittee.

#### DEPLORABLE CONDITIONS OF OUR FARM ECONOMY

Mr. Chairman, the deplorable conditions of our farm economy discussed so eloquently by the gentleman from Mississippi [Mr. WHITTEN], who is chairman of our Subcommittee on Agricultural Appropriations, and the contents of our committee report, together with the accompanying bill, should be sufficient cause for the most serious concern on the part of every Member of Congress.

Words alone, written or spoken, cannot fully and properly describe the plight of several millions of farm people who during the last 10 years have seen prices go steadily up on the things they buy and as equally steadily down on the things they sell. Sleight-of-hand juggling of farm income figures cannot conceal the fact that our farm economy is in difficult straits and that the time for constructive and remedial action is long overdue.

In the last 10 years our gross national product has risen from \$382 billion to \$480 billion; national income has gone up from \$217 billion to about \$400 billion; labor income alone has climbed from \$175 billion to about \$280 billion; hourly earnings in all manufacturing jobs have gone up from \$1.46 in 1950 to \$2.28 today; and in virtually every segment of our economy, with the exception of agriculture, we have seen similar rises

and aside from a few chronically depressed areas the whole Nation has prospered.

But look at agriculture. Net farm income stood at \$13.8 billion in 1949 and the latest report shows net farm income has dropped below \$11 billion. If there was ever a famine in a land of economic plenty, such a famine exists today among the farm people of our Nation.

We expend a considerable amount of money for various farm programs, many of which are actually for the primary benefit of consumers, but the one big item which relates itself directly to farm income is the appropriation to restore the capital impairment of the Commodity Credit Corporation.

The Commodity Credit Corporation is the banker for our price support operations. For ready understanding of the purposes of agricultural price supports I might describe them as the equivalent for farm people of minimum wage laws, unemployment insurance, labor management agreements, and so forth, for the protection of labor income. Unorganized and without the potent weapon of the right to strike, farm people must of necessity look to the Federal Government for a measure of assistance in their efforts to obtain a fair and equitable return for their labor, investment, and management ability. This we call parity.

In the bill before us there is an item in the amount of \$1,325 million to restore the capital impairment of the Commodity Credit Corporation and this represents the losses sustained in our price support operations during the last fiscal year. Last year we appropriated \$1,435,400,000 for this purpose; the year before \$1,760,400,000; and the year before that \$1,239,800,000.

In the last 5 years we have sustained a total loss of \$6,689,900,000 in our price support operations, and in those same 5 years net farm income has dropped a full half billion dollars. Although it should be obvious to everyone that our programs of price supports are not doing the job, I shudder to think where our farm economy would be today if we had not provided at least this measure of protection.

As ranking member of the Subcommittee on Agricultural Appropriations, as a Member of Congress representing a great agricultural district, and as a man conscious of the fiscal implications of the bill we bring before you, I must report that the rise in costs to the public in recent years has been accompanied by a corresponding decline in farm income. We cannot forever expect farm people or taxpayers generally to support such an inadequate and costly program.

Our subcommittee has been fully cognizant of these negative developments. Each year we have conducted extensive hearings—this is my own 17th year on the subcommittee—and this year you will note that our hearings total more than 2,500 pages in length. In all modesty I believe I can honestly say that the seven members of our subcommittee know more about the detailed operations of the U.S. Department of Agriculture and of our farm programs than any other group in Congress.

I believe our subcommittee has taken every conceivable action available to us in our efforts to cut the costs of these programs and make them more worthwhile to the farm people in whose interests they were first authorized. At the same time, I believe we have exhausted our capabilities and the frustrating experience of spending good money after bad compels me today to bring this whole problem before the Congress in the hope that something constructive might come of the effort.

#### COMPREHENSIVE NEW FARM BILL

On May 2 of this year I introduced a comprehensive new farm bill—H.R. 12000—together with my able and distinguished colleague the gentleman from Iowa [Mr. JENSEN]. His identical bill is H.R. 12001. This bill was not casually conceived nor was it lightly offered. Speaking for myself, its provisions were based upon many years of service in the Congress, especially as a member of the Subcommittee on Agricultural Appropriations, together with virtually a lifetime of experience as a farmer, and as a farm manager.

As a preliminary to the discussion of our proposal, let us first take a good look at the problem we seek to solve.

From the viewpoint of the American taxpayer, the development of a solution to the farm problem should have the highest priority. Reluctantly but of necessity I must report to the Congress that we now have in Commodity Credit Corporation accounts about \$9 billion worth of surplus agricultural commodities. In the next fiscal year it will cost about \$600 million to store and handle that vast storehouse of agricultural products. Added to this will be the losses through deterioration, market losses, shrinkage, and other factors leading inevitably to a loss to the Public Treasury of probably another \$1 billion.

As a practical matter, we have found from experience that we cannot even give away this multi-billion-dollar hoard of agricultural commodities. In the bill before us you will find another item of \$1,468,742,000 to reimburse the Commodity Credit Corporation for various special activities such as Public Law 480, the International Wheat Agreement, and famine relief to friendly countries. Tremendous quantities of American food have moved through church and other charitable organizations from Government warehouses into empty stomachs around the world; additional amounts of staggering tonnage have been sold for local currencies which are near worthless to us; and we have thrown wide the door of our food storehouse to needy people both at home and abroad. But it costs money to even give these stocks away and from the viewpoint of the taxpayer this \$9 billion stockpile is and will continue to be a most costly burden.

From the viewpoint of the farmer we purport to help, this stockpile of agricultural surpluses is a two-edged sword striking at the heart of his pocketbook. In the first place, the level of farm commodity prices at a present average of only 80 percent of parity together with the farmer's proportionate share of the total tax burden leaves the average

farmer at the bottom of the economic ladder. In the second place, the tremendous accumulation of farm commodities in the inventory of the Commodity Credit Corporation hangs like a dark cloud over the agricultural economy and eliminates completely any hope for a rise in market prices for farm products.

The proposal the gentleman from Iowa [Mr. JENSEN] and I have laid before the Congress is designed to meet effectively and promptly both of these basic problems of accumulated surpluses and depressed farm commodity prices. Moreover, we seek to accomplish these prime objectives at little or no additional cost to American taxpayers.

The green acres program we propose contains numerous provisions previously advanced by other able and distinguished Members of Congress. The payment-in-kind features, for example, may be found in many bills now pending before the legislative committees. My cosponsor, the gentleman from Iowa [Mr. JENSEN], along with his colleague, the gentleman from Iowa [Mr. HOEVEN], some time ago introduced payment-in-kind bills for corn. The distinguished chairman of my Subcommittee on Agricultural Appropriations, the gentleman from Mississippi [Mr. WHITTEN], and my very able farm colleague the gentleman from Minnesota [Mr. MARSHALL] recently introduced bills to authorize a payment-in-kind program covering all feed grains and wheat.

After studying many of these constructive proposals and gaining from them a number of worthwhile ideas, Mr. JENSEN and I felt that something additional was needed to accomplish a balance between production and market demands and the green acres feature was conceived for this purpose.

Having crystallized our own thinking on the general outlines of a farm measure, we took the idea directly to the farmers who would be affected for their counsel before introducing a bill and the farmers themselves gave us the answers to several questions for which we had been unable to find the answers.

I personally discussed the green acres proposal with more than 400 farmers, ASC committeemen, county agents, conservationists, livestock men, and others representing a cross section of Midwest agriculture. As a result of these discussions, the initial idea was considerably modified and several very valuable improvements were made. For example, we were concerned about the collateral effects our proposal might have upon the livestock industry and I found the answer in a suggestion made by an ASC county committeeman at the last meeting held on the subject.

The Andersen-Jensen green acres program is in a major sense the result of the combined thinking of a cross section of farm people and the leaders of responsible farm organizations, and I want at this time to acknowledge their help and express my personal appreciation for their contributions.

Now, Mr. Chairman, I would like to take a few minutes to describe briefly the various sections of our bill.

Section 2 of the bill provides for a nationwide referendum to permit farmers to determine for themselves whether or not they want this program to go into operation. Since every farmer in the United States who produced wheat, corn, oats, rye, barley, grain sorghums, soybeans, and flaxseed would be immediately affected, all of those producers who produced one or more of these commodities in at least 3 of the last 5 years would be eligible to vote in the referendum. If two-thirds or more of the producers voting in the referendum favored the program presented to them, it would be in effect the following crop year and thereafter unless the Congress authorized and the Secretary of Agriculture conducted another referendum on this or a modified program.

I will discuss the other sections of the bill upon the assumption that the entire program would be approved in the referendum. If farmers voted to the contrary, the entire measure would be inoperative.

#### GREEN ACRES PROVISION

Section 3 covers the "green acres" provision and is the cornerstone of the entire proposal. Beginning with the 1961 crop, all producers of the commodities enumerated earlier would be required to put at least 20 percent of their total cropland under green cover. Farmers would receive no direct compensation for so doing, and they would be free to do anything they wanted to with these green acres other than the production of nonconserving crops. They could graze it, cut hay off of it, put it into wildlife cover, and so forth. The principal stipulation would be that it must be under green cover and not in the production of nonconserving crops.

The 20 percent figure in our bill is not a precise figure which we have determined to be the exact minimum cropland needed in green acres on each farm to do the job. It is, however, the best possible estimate we can make as to a percentage reasonably expected to accomplish the objective we seek of balancing the production of these commodities against consumer needs and market opportunities.

Because this is such an important feature of the bill, you may be interested in the basis for the 20 percent provision and some of the reasons for its importance.

It should be obvious to all that American farmers are producing too much. They were called upon to increase production during the war years, and farm programs in effect in recent years have provided no alternative. We now have in Government ownership \$9 billion worth of agricultural commodities and it is costing us about \$600 million a year for storage and handling. We are simply producing too much and all previous efforts to achieve the desired balance have failed.

The best advice we can obtain together with our own study of official statistics leads us to the conclusion that we have nationwide about 32.6 million too many acres currently producing wheat, rye, corn, oats, barley, grain

sorghums, soybeans, and flaxseed. This is a composite figure which takes into account an estimated deficit, for example, of about 3.6 million acres of oats and 0.9 million acres of flax last year.

Assuming the accuracy of this figure, and we believe it is reasonably accurate, the next step was to devise a sure means of taking this much land out of production at no cost to the taxpaying public.

Nationwide we have about 430 million acres of cropland now in production. About 136 million acres of this cropland is in hay and pasture, or 29.6 percent of the total. However, this percentage of total cropland in hay and pasture ranges from a statewide average of 13.1 percent in Kansas, to 85.8 percent in Vermont. North Dakota averages 15.6 percent of its total cropland in hay and pasture: Washington, 18.9 percent; Georgia, 20.2 percent; Montana, 20.8 percent; Illinois, 21 percent; Colorado, 21 percent; North Carolina, 22 percent; South Carolina, 23 percent; Delaware, 23.1 percent; Texas, 24.3 percent; and Minnesota, 24.3 percent.

Within the States the percentage of cropland in hay and pasture also varies widely. I have listed the States in ascending order up to and including Minnesota because I have more details about my own State. In my district, for example, I have two big-producing counties which have an average of 7 and 9 percent of their cropland now in hay and pasture. Obviously, the range within these counties is from zero to a few dairies with substantial acreage of hay and pasture.

The point I want to make is that we calculated this as best we could and came to the conclusion that 20 percent was about as reliable a figure as could be determined without intensive study of the latest census data when it becomes available. Experts in the field gave us estimates that ranged from a low of about 15 percent to a high of about 25 percent and from this we conclude that our 20-percent figure is fairly accurate. In addition, we anticipate that hearings on the bill would develop information which would either confirm this figure or lead to a more precise percentage for the green acres program.

It is our considered judgment that the establishment of this minimum figure of 20 percent of the cropland on every farm would probably raise the national average about 8 percent which would take out of crop production about 34 million additional acres. If so, and allowing for the fact that a good farmer would often select his poorer land for the purpose, we believe we would be within striking distance of balanced production.

#### MUST BE ABSOLUTELY ENFORCEABLE

One further point on this section. Everyone we discussed this with advised us that it must be absolutely enforceable. To make it effective we have put some real teeth into it by providing a penalty of 50 percent of the total production on any farm not in compliance with the green acres provision. This penalty would be in the amount of one-half the value of the violator's total production the year of his noncompliance

and we believe there will be little or no noncompliance.

Section 4 provides a vital incentive insofar as farmers and our rural economy are concerned. Under this section price supports on all the commodities listed would be set at 80 percent of parity the first 2 years, at 85 percent the next 2 years, and at 90 percent of parity thereafter. If our calculations are accurate, and we believe they are, the market will rise steadily in the next few years and the level of price supports will follow it up. In this section we propose in 5 years to restore the general level of farm commodity prices to the level from which they have fallen steadily in the last 10 years. The step-by-step increase will avoid sharp disruptions in our whole agricultural economy and we believe it is entirely practical to move back up in this manner.

#### PAYMENT-IN-KIND

Section 5 contains the provisions for the liquidation of present surpluses; the maintenance of an adequate supply for the protection of consumers, world markets, and food-for-peace programs; and the balancing of farm production in the future. The payment-in-kind program is to be entirely optional with the producer, but we have purposely set the rate at 80 percent of average, normal yields to make it attractive to producers. In addition, we have set a maximum of 50 percent of any farm which may be temporarily retired from production in the interests of farm families and the local economies. I have never wanted to see whole farms retired from production for any reason and we propose to prevent that in this program.

As one of the original coauthors of the conservation reserve program, I have consistently opposed the retirement of whole farms via this program.

As is provided in most of the other payment-in-kind proposals, our bill calls for a complete retirement of the acreage for which 80 percent of normal yield certificates are issued. These certificates will be valued as of the time of issue and will be completely negotiable. They can be used as collateral for credit. They can be surrendered in exchange for CCC stocks. They may also be sold to a neighbor or a local elevator for cash. When finally surrendered, these certificates would be exchanged for surplus stocks owned by the Government. However, these stocks would not be eligible for price supports. The retired land may either be put under protective cover with ACP assistance, left black if that is the proper thing to do from a conservation standpoint, or put under wildlife cover. However, no harvest of crops or hay would be permitted except in emergencies authorized by the Secretary of Agriculture.

There is also another payment-in-kind feature in this section relative to the "green acres" retired from grain production under section 3.

To protect the livestock economy against a flood of cheap hay, we authorize an optional 25 percent of normal yield payment-in-kind for the complete retirement of this land. This has been

set at this particular rate so the farmer who has livestock and needs the hay can utilize his "green acres" and the farmer who does not need the hay or pasture can completely retire that land in return for the 25 percent of normal yield payment-in-kind. We also have reason to believe that once the present surpluses have been liquidated this feature alone might well serve to maintain the balance in production we seek under the terms of our bill. If so, the total cost would be very low because of the relatively low payment rate of 25 percent.

In this section we also afford a measure of protection to the grain trade and storage industry by directing that commodities redeemed with payment-in-kind certificates shall to the maximum extent practicable be from CCC stocks in bin sites or other Government facilities before withdrawing from commercial warehouse facilities. In addition, I would like to report that our Agriculture Appropriations Subcommittee held several meetings in the Midwest on the storage question and we were told by responsible country elevator operators that they very much preferred the movement of free grain to the storage of CCC stocks as the trade in free grain is more profitable to them.

From our inquiries we came to the conclusion that the elevators will find the increased supply of grain in trade channels more to their liking than long-term storage of Government stocks.

This section includes the usual penalty for violations equal to forfeiture of all payments and an additional penalty equal to 50 percent of the amount otherwise due.

Section 6 provides that the acreage diverted either into green acres or by payment in kind shall be in addition to any acreage already in the conservation reserve. In other words, if part of a farm is now in the conservation reserve the balance of the farm would be considered as an entity for the purposes of this legislation and the green acres would have to come out of the remaining cropland in production.

Section 7 assures producers eligibility for ACP cost-share payments on their entire farms, including the green acres and land diverted under payment in kind.

Section 8 provides that the proposed program shall be administered by the farmer-elected committees which are already in existence.

Section 9 directs the Secretary of Agriculture to transmit annual reports to the Congress in order that the operations of the green acres program may be constantly reviewed. In addition, it provides that any increase in the percentage of cropland required under the green acres provision shall first be approved by Congress and then submitted to producers in another nationwide referendum. However, if we have been reasonably accurate in the determination of this percentage, it is unlikely that such action would be necessary at any time in the near future.

Section 10 guarantees to cotton, peanut, rice, tobacco, and wheat producers

that no terms of this measure shall in any way affect their present programs of acreage allotments, marketing quotas, or price supports except for the 80 percent of parity price support floor under wheat.

In the first place, I would not undertake to offer legislation affecting these commodities as I know there are better authorities in the Congress representing these particular producers. However, I do want to call attention to the fact that the green acres program would be of considerable economic value to the producers of cotton, peanuts, rice, and tobacco, from the standpoint of higher price supports for the grains they produce on their farms.

#### ILLUSTRATIVE CHARTS

That, Mr. Chairman, is a section-by-section summary of the bill. I would now like to call our colleagues' attention to the four charts we have prepared which illustrate the prospective impact of this proposal upon the production and income of a representative 320-acre midwestern grain farm. These charts may be readily adjusted to various crops as well as larger or smaller farms. The 320-acre farm is simply illustrative of the program.

The first chart shows that farm in virtually all-out production in 1960 under the present program. You will note that we have estimated 25 acres for buildings, lots, roads, wastelands, and so forth, and, to be conservative, have shown 35 acres already in alfalfa. On the balance we show 160 acres of corn, producing 9,600 bushels, worth about \$1 per bushel this year; 59 acres of soybeans, producing 1,500 bushels, worth about \$1.73 per bushel; and 50 acres of barley, producing 1,500 bushels, worth about 70 cents a bushel. In the lower left-hand corner of the chart we show an approximation of the surplus produced on that farm, and these figures are based on the actual percentage of each commodity now in surplus production. On the right-hand side of the chart we show the total gross income in the amount of \$13,800 for this all-out production.

The second chart shows that same farm in 1961 under the "green acres" program with 80 percent of parity price supports. Since this is primarily a grain-producing farm, we assume, as an illustration, that the farmer will take full advantage of the program. First, he will have to put a total of 59 acres into the green acres program. For this he may elect to receive the 25 percent of normal yield payment in kind for wildlife cover, or 885 bushels of CCC corn. Then he will be eligible to retire an additional 88.5 acres completely, for which he will receive a payment-in-kind certificate worth 4,228 bushels of corn. On his remaining acres we assume he will plant 100 acres of corn, yielding 6,000 bushels, with a price support of about \$1.30; 27.5 acres of soybeans, yielding 825 bushels, with price supports at about \$2.25 per bushel; and 20 acres of barley, yielding 600 bushels, with price supports at about 96 cents a bushel. At present rates of consumption, this farm would not be producing enough to meet current mar-

ket demands, and we would begin to eat into the surplus stocks held by the Government at public cost. From the income standpoint, you will note that the total gross income on that farm would rise to about \$15,856—an increase of \$2,000 above the previous year with reduced costs of production.

In addition, may I point out in all of these charts that the payments in kind made available to producers would in every instance assure that much minimum cash income regardless of weather or crop conditions. Since these certificates will be issued in the early spring, this cash income will contribute greatly to the whole rural economy and will help insure against local economic disasters as a result of crop failures.

Now, if you will refer to the third chart, you will find that farm producing the same crops as shown on the second chart, but this will be in 1963, when price supports go up to 85 percent of parity and the total gross income goes up to \$17,139—another \$1,300 with no increase in costs of production.

Then, if you will refer to the final chart illustrating the situation in 1965 you will find that we have liquidated the surpluses and that farm is back into full production with 90 percent of parity price supports and a total gross income of about \$20,766. Since the costs of production are comparable with those shown in the first chart for 1960 under the present program, you can readily see that the gross income on this farm will have risen a total of about \$7,000 or more than 50 percent with no additional costs to the producer or the taxpayers. With the surpluses liquidated and supply in balance the operator of this farm will contribute to the total output approximately his proportionate share of the market need and the 90 percent of parity price supports will function as an orderly marketing device at little or no cost to the taxpayers.

Although farmers are at all times to farm as they please under the "green acres" program, it should be noted that after the surpluses have been liquidated there will not even be a payment-in-kind program for those commodities which are not currently in surplus. The green acres provision will remain permanently in effect, except for national emergencies, to help maintain the overall balance of production with the payments in kind operating to adjust temporary imbalances between commodities.

#### COST LITTLE OR NOTHING

May I also emphasize the fact that the entire program proposed in our bill will cost the taxpayers little or nothing more than the costs of administration and the release of surplus CCC stocks which are worthless for all practical purposes and are actually costing us about \$600 million a year to store. I have not had time to calculate the savings that would be accomplished under the terms of our bill but I can assure our colleagues from my years of experience on the Agriculture Appropriations Subcommittee that the savings in total costs would be enormous, not to mention the nationwide benefits

that would accrue from a prosperous and healthy farm economy.

Since the green acres bill was introduced last week, we have had a most gratifying response from other Members of Congress, spokesmen for farm organizations, and the public as a whole. However, some questions have been raised relative to our contention that the program will cost the taxpayers little or nothing other than the costs of administration and I would like to discuss that briefly.

In the first place, I do not believe the costs of administration would be substantially increased over the level of recent years because we will, by the operation of the proposed program, actually reduce and eventually eliminate some past administrative costs.

For example, the costs of care and custody of commodities in the bin sites throughout rural America will be rapidly eliminated by the distribution of these stocks as payment-in-kind.

As indicated on page 754, part 3, of our hearings, the current annual costs to the taxpayers for handling of surplus wheat, corn, grain sorghum, barley, and rye were as follows: \$717 million for transportation, \$105 million for receiving and loading out, \$415 million for 12 months' storage, and \$192 million for interest at a rate of 4 percent on our total investment in these commodities. In other words, in addition to the initial investment of \$3½ billion in these five commodities, we are faced with an annual cost of another \$1.4 billion bringing our total investment in those commodities to better than \$5 billion. With the green acres program in full operation there should be virtually no surplus production and, if this were the case, we could save the \$5 billion otherwise invested in the acquisition, storage, and handling of these five commodities.

Now, a word about the liberal payment-in-kind proposal in our bill. We have purposely made it liberal and would be willing to set it at a full 100 percent of average normal yield except for the fact that we want to reduce the quantity of grain on the market by that additional 20 percent. We believe the 80-percent figure will be a strong incentive for participation, and that is what we want.

#### SURPLUS DISPOSAL PROGRAMS

We must not lose sight of the fact, Mr. Chairman, that the \$9 billion worth of surplus agricultural commodities owned by the Government are, for all practical purposes, worthless. Before anyone criticizes our proposal to release these stocks to farmers via the 80 percent of normal yield payment-in-kind route, let me remind them that agricultural commodities are not the only surpluses owned by our Government.

In fiscal year 1959, the Federal Government disposed of more than \$6 billion worth of surplus stocks other than agricultural commodities. We sold \$2.1 billion worth of surplus for a cash price of \$99.6 million. In addition, we sold as scrap for \$66 million another quantity of surplus property which had an original cost of about \$4 billion. On top of that,

we gave away by donations to health, educational, and civil defense organizations some \$229.5 million worth of surplus property. In other words, in the disposal of other surplus property owned by the Federal Government we have realized less than 3 cents for each dollar initially invested and that is little short of actually giving it away.

In the case of American agriculture, we propose the exchange of surplus farm commodities—already bought and paid for—in return for a reduction in production in the interests of our total economy.

If the Congress is genuinely concerned about the plight of farm people, we offer a practical and workable program in our green acres proposal.

If the Congress is constructively interested in restoring the rural market for commodities manufactured and processed throughout the Nation, we suggest this means of raising the level of farm income.

If the Congress shares our concern regarding the rising costs of acquiring, storing, and disposing of surplus agricultural commodities, we offer a means of virtually eliminating that costly operation.

If the Congress recognizes the desirability of maintaining necessary reserves for the protection of consumers, for distribution to needy and deserving people at home and abroad, and for the stability of our whole agricultural economy, we present this proposal for balanced production.

If the Congress shares our desire to solve this costly problem of surplus production which depletes our soil and demoralizes our economy, then we ask that consideration be given at this session to the Andersen-Jensen green acres program.

The President in his message to Congress on May 3, 1960, said:

I still believe that America's farmers prefer, as certainly I do, the development of legislation which will promote progress for them toward economic equality and permit them the maximum freedom.

We respectfully refer the attention of the administration to our proposal which we believe will restore our farm economy to its proper level and will do so within the confines of the President's language I have just quoted.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to my good friend from Kentucky.

Mr. NATCHER. The American farmer has no better friend than H. CARL ANDERSEN of Minnesota. It has been my privilege and honor to serve with this subcommittee for 6 years; and during that time I have witnessed the interest of my friend CARL ANDERSEN in all matters concerning agriculture.

I want to commend the gentleman on the fine statement he has made and to inquire as to whether or not in the opinion of the gentleman this is a sound bill from the standpoint of conservation?

Mr. ANDERSEN of Minnesota. I thank my colleague for his very kind remarks; and I may say to him that conservationists have already approached

the gentleman from Iowa [Mr. JENSEN] and myself, and they have told us they were delighted with this approach to the farm problem. It is very definitely a conservation program. That is my answer to the gentleman.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to my chairman.

Mr. WHITTEN. I wish to say to the membership that in all the years I have had the privilege of serving with our friend, H. CARL ANDERSEN, no one has worked more unceasingly for the interest of American agriculture and the American farmer.

CARL ANDERSEN KNOWS farm problems first-hand. He has had many years of experience here, and in the dealings with agriculture his interests have been sincere and never political. I wish to say to him that his bill which he has so ably discussed, in my opinion, would be a very great improvement over the laws we now have.

I do not want to make this comment without including, also, our friend on the Appropriations Committee, the gentleman from Iowa [Mr. JENSEN], the joint author of this bill. I have had the privilege of serving with both these gentlemen. I have served under the chairmanship of CARL ANDERSEN, and it has been said it did not make much difference which of us happened to be presiding officer of the subcommittee. We have worked through and through, and by paying attention here to these two gentlemen because they have sponsored this bill, I do not mean to overlook other members of the Appropriations Subcommittee on my side: FRED MARSHALL, BILL NATCHER, and FRED SANTANGELO for they are sincere members who are interested in the work of agriculture and who give some thought to the economy of the taxpayers as well; nor do I want to overlook my Republican colleagues on the other side, the gentleman from Washington, WALT HORAN, and the gentleman from Illinois, BOB MICHEL. They, too, have this Nation's interest at heart. I want to say that this appropriation bill we have before us today reflects the composite views of this group trying its best to meet the problems as we see them.

I congratulate the gentleman from Minnesota and the gentleman from Iowa for having made this very straightforward statement, in calling the attention of the American public to the need in this area and the fine work in the preparation of their bill.

Mr. ANDERSEN of Minnesota. I sincerely appreciate the remarks of my chairman. May I call the attention of the committee to the fact that it was due to the efforts of Mr. WHITTEN, representing the minority, who joined me when I became chairman of the subcommittee and, we, together with Mr. Hope, of Kansas, put into effect the pilot watershed program without departmental or budget approval. This has now become the small watershed protection program. We commenced in this very subcommittee the small watershed protection pilot program. My chairman had the original nub of the idea and that is

the way the gentleman from Iowa [Mr. JENSEN] and I have developed this particular bill.

We are seizing on all the good ideas. We have stayed back on purpose, we have waited to see what other gentlemen produced, and we are trying to bring together in one package the suggestions made by the gentleman from Minnesota [Mr. MARSHALL], the gentleman from Iowa [Mr. HOEVEN], and others. We have taken a number of good ideas from other authors and built them around the mandatory 20 percent that each and every farmer in the Nation must contribute as his share toward a profitable agricultural economy.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Washington.

Mr. HORAN. I want to point out to the committee that there is a crying need for some approach to a solution of our farm problem that we have before us today. As our chairman of the subcommittee pointed out in his remarks we are picking up the tab for \$481 million for storage alone in this particular bill. It is estimated we will pay out \$612 million next year for storage alone, none of which helps the farmer very much, and it is estimated next year's expenses in the storage field will be in excess of \$700 million.

I want to commend the gentleman from Minnesota for at least coming out with what I think is an idea that ought to be studied fully. I may say to my other colleagues who are interested in wheat and a domestic parity that I am attracted to the outline of a farm program that is outlined in the report.

Mr. ANDERSEN of Minnesota. Will not the gentleman agree with me that we must approach this entire problem of small grains as one? We cannot do it piecemeal. We have found that out.

Mr. HORAN. I realize that there is a conflict in commodities and that does get in the way.

Mr. ANDERSEN of Minnesota. That is correct. I might say for the benefit of the wheat producers and the wheat men in this Congress that every attempt is made to help them. For example, in this bill we do not say that a man once he has a negotiable certificate in the Corn Belt cannot pull out wheat stocks if he wants it for feed, but it will be on a relative price basis, not bushel per bushel. I might also say that the 15-acre wheat producers are not going to bother about producing 15 acres under this bill. Instead they are going to retire it for payment in kind by taking out 30 percent of their land, and they will pull back other commodity stocks. It is going to help every normal wheat farmer in America to eliminate the 600,000 15-acre farmers on a purely voluntary basis. It is going to benefit everyone concerned.

The gentleman from Washington has pointed out that this is one of the big problems facing us today, and the gentleman is absolutely right. Here it is the middle of May and not a worthwhile thing has been done for agriculture. We are trying by pushing this to at least

light a fire and get some action so that back my way we will not have the disconsolate sort of economy we have today and despondent farmers.

Why, that miserable bill passed here 2 years ago happened to deal with corn. A lot of you gentlemen here voted for it. Mr. CANNON, Mr. BROWN of Missouri, and I and the late Mr. Christopher got up and fought it. We said: "Why reduce the price of corn down to a disastrous level and force the farmer to go out and produce corn from fence row to fence row to make a living?" Now, the only friend I know of in Government or elsewhere for that particular bill is Ezra Benson. He is the only man who still says it is good legislation. I fought then against it and I will fight against any principle utilizing our soil to produce 800 million bushels of corn or any other commodity that we do not need only to put it in tin cans and bring about enormous storage charges and consequent deterioration. It is not a good program for the wheat and corn producers in the Midwest. God help us if that is the best we can do here. That is why I have taken this hour today. And, this is the first time I have taken an hour under this bill, even though I have been the ranking member on the committee for a good many years. The time is getting late. The hour is getting late. Let us remember that.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I would like to commend my colleague and friend from Minnesota for the fine statement that he has made today. I would like to also reiterate that while we drew up the soil bank bill and presented it to the Congress, as my good friend has stated, it was never our intention that entire farms be taken out of production. It was our intention that the production come out of the productive areas of the country to bring about a balanced agriculture. Furthermore, if I might say further, at the time we were working on this bill, we asked the Department of Agriculture for comment on our bill. They sent in a report, and it is interesting to note at this time that they said that in order for that program to be effective it would cost in the neighborhood of \$500 million annually. Since that time we have spent over \$2 billion on a program that is in effect now on conservation reserve, which I personally do not agree with, because it has taken out lots of marginal land. It is not reaching the productive land of this country. We had occasion to visit some of the Midwest areas, and we know that last year we produced a 4-billion-bushel corn crop, the first time in history, in this country. And, they have told us that they were doing everything that they could to add more corn acres in this next year to the production. So I say to my good friend and colleague and Members of the House that next year we will have increasingly more difficulty in corn production, and 2 years from now you can expect the Government to blow its top off if we have anywhere near a normal crop year. My good friend and

colleague has recognized that, and he has put in a lot of work on this proposal, as has my good friend, the gentleman from Iowa [Mr. JENSEN], because both of these gentlemen come from areas that see what is happening to this corn and feed production, and both have been stalwart promoters of soil conservation. They both know by experience that you are placing a burden on the soil, robbing the soil of the fertility to produce commodities that we do not have need for, and unless something unforeseen changes that trend, it will wreck the livestock and poultry industry in this country.

Mr. ANDERSEN of Minnesota. I thank my colleague from Minnesota. And, I say this, that he is absolutely right in his reference to our first idea of what the soil bank should be. The gentleman will remember that he and I were the first ones in the Congress to use that term "soil bank" away back in 1954. It has not operated along the line that the gentleman from Minnesota [Mr. MARSHALL] and I intended that it should be operated, but if it had, we today would not be in the agricultural fix we are in. We never intended that we should take whole farms out of production and destroy the economy of the small communities by too many of these farms going out. We never intended that for a couple of years, at least, the soil bank program should be a field day for speculators.

We thought we had a good idea, but I do not care how good an idea is, Mr. Chairman, if you do not have the proper administration of any program you might as well throw it out of the window. We did not for the first 2 years, at least, have the proper administration of the conservation reserve.

Mr. Chairman, I want to say this further. I do have hopes for the green acres program because I know that the present Secretary of Agriculture will have nothing to do with its operation if it becomes law. He has only a few months left in office.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield further?

Mr. ANDERSEN of Minnesota. I yield.

Mr. MARSHALL. I was going to say that had the proposal that my colleague and I made been put into effect, we would not be facing the problem of a 9 billion bushel surplus in stocks of Commodity Credit, nor would we be paying around \$600 million in storage costs this year. And that \$600 million is more than that program was estimated to cost to do the job when the gentleman and I proposed it.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman.

Mr. SMITH of Iowa. First I want to commend the gentleman for coming forward with a bill. There have been so many people who criticize everything that comes up but they never come forward with a bill of their own or with anything constructive. Also I want to concur in what was said by the gentleman from Minnesota [Mr. MARSHALL] and in the gentleman's own comments concerning corn. We are going to have this year alone from the 1959 carryover 600 million bushels of corn. That is one-third as much as was accumulated in all the previous years put together. That is the first year under this program that the gentleman has been talking about.

Mr. ANDERSEN of Minnesota. Will the gentleman further agree that in this crop year 1960 the farmers of America are going to put 85 million acres into corn, and 20 million acres of that we have no need for whatsoever?

Mr. SMITH of Iowa. Seed corn salesmen just this weekend told me that they have sold more than 5 percent more seed corn this year than last year.

Mr. ANDERSEN of Minnesota. The gentleman mentions seed corn salesmen. I had only three objectors among the 400 business people and farmers with whom I discussed this proposal just 3 weeks ago back in Minnesota and Illinois. Two of those gentlemen were big cattle feeders who do not produce enough corn for their own needs. They honestly said that they were afraid that corn was going to go up and they would not make quite so much profit. The other gentleman was a seed corn dealer who was afraid that he would not be able to sell the amount of seed corn he had for several years. But all three of these men did not stop to look ahead into the future.

Mr. Chairman, I want to close on this. Unless we do something about this, the beef cattle men are going to go down with the feed grain people; there is no question about it. Seven years ago I said to Mr. Benson, "Don't you realize that cheap feed will eventually mean cheap livestock?" He said that I was wrong. But I think in the last year or two he has come at least part way toward my line of thinking.

The beef cattle men had better get back of some proposal like this and not insist on 75- and 80-cent corn unless they want to see their whole operation hit the economic skids.

Mr. Chairman, I want to say in conclusion why I am proud to have the gentleman from Iowa [Mr. JENSEN] join me in the introduction of this bill. There has been no man in the Congress more interested in soil conservation than has the gentleman from Iowa [Mr. JENSEN]. All through this green acres bill you see "conservation." I am happy that I have a man of his caliber standing along with me urging the Congress to adopt this proposed legislation.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield further?

Mr. ANDERSEN of Minnesota. I yield further to the gentleman from Iowa.

Mr. SMITH of Iowa. I do want to say, however, that I wish I could share

the gentleman's optimism in the idea that there is no one but Mr. Benson for this corn program. I have found quite a few among our colleagues.

Mr. ANDERSEN of Minnesota. If the gentleman will permit, let me say there are perhaps a few other misguided souls.

Mr. SMITH of Iowa. Mr. Chairman, I have a few questions if the gentleman will yield further.

Mr. ANDERSEN of Minnesota. I am glad to yield.

Mr. SMITH of Iowa. As I understand it, the gentleman does recognize that lower price supports do not actually reduce production because he says you should go to 80 and then 85 and then 90 percent of parity?

Mr. ANDERSEN of Minnesota. Absolutely.

Mr. SMITH of Iowa. Also, as I understand it, you do not have any requirement on the referendum that one must have been a producer of any certain amount of a commodity.

Mr. ANDERSEN of Minnesota. Yes; 3 years out of 5, then that man has the right to vote.

Mr. SMITH of Iowa. In what quantity?

Mr. ANDERSEN of Minnesota. If any man produces wheat, corn, all these other grains, and has a crop history of 3 years out of the last 5, then he is entitled to vote in that referendum.

Mr. SMITH of Iowa. What if I produce only 1 acre?

Mr. ANDERSEN of Minnesota. That is all right.

Mr. SMITH of Iowa. Just any small amount?

Mr. ANDERSEN of Minnesota. That is all right.

Mr. SMITH of Iowa. You can get down to a few stalks.

Mr. ANDERSEN of Minnesota. Not if you get down so far that you are not a farmer. Our bill refers to producers.

Mr. SMITH of Iowa. My point is that there must be some kind of referendum.

Mr. ANDERSEN of Minnesota. That is provided in our bill. I recognize and the gentleman from Iowa [Mr. JENSEN] recognizes that certainly the legislative Committee on Agriculture on a proposition like this will have to work it over. There are many refinements to be made. We do not hold any pride of authorship, but we are holding up this green acres provision as perhaps the answer to the most vexing farm question that has been before this Congress for years. Certainly I would not anticipate that this bill would be voted out without a number of worthwhile amendments. I just hope if it does come in it will maintain in it that green acres mandatory provision, because that in the first place balances production that year with demand. It is the heart of our proposal.

Mr. SMITH of Iowa. I understand according to the gentleman's charts here he is proposing to reduce corn acreage by 40 percent in the first year.

Mr. ANDERSEN of Minnesota. No; there is no such proposal.

Mr. SMITH of Iowa. The charts are not in accordance with that proposal?

Mr. ANDERSEN of Minnesota. That chart is merely representative of a half-section grain farm much like my own farm in Minnesota.

Mr. SMITH of Iowa. The point is, you do have to get rid of the corn in the bin?

Mr. ANDERSEN of Minnesota. After you get rid of the corn in the bin, then the demand in the market is going to take care of all the farmer can produce. Remember, the green acres is still in effect.

Mr. SMITH of Iowa. The gentleman does not think any other program is necessary, then?

Mr. ANDERSEN of Minnesota. No. The green acres will do the job outside of a small Commodity Credit Corporation stock that would take care of the temporary imbalances. Sometimes you might produce 100 or 200 million bushels too much of corn. The price of soybeans would go up. Next year people would go into soybeans or barley where they could make more money. The market would do much to balance production, and a small payment-in-kind program would help make the necessary adjustments.

One of the most attractive features of the green-acres proposal is the fact that it would afford our farmers virtually complete freedom in the operation of their farms.

Mr. Chairman, I yield 11 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. HALLECK. As one who raised some question about that poultry inspection bill when it was before the House, and concerned as I was that it would cost a lot of money and it really was not necessary for the protection of the health of the people of the country, I would like to have the chairman of the subcommittee restate the proposition. Do I understand correctly that inspections that have been conducted—that no part of those inspections has shown anything that would be injurious to the public health?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. WHITTEN. We have full inspection of the poultry that is handled at time of slaughter. But the law as it stands, beginning July 1, provides that we would have to have an inspector at every further processing plant where there is a piece of meat in the package. And 2 out of 300 have asked for that inspection, because by getting that they get a label. They would like the Government to pick up the cost of it.

Mr. HALLECK. What is that cost per year?

Mr. WHITTEN. About a million dollars. We have learned from the processors that they want it so that they can get a label. But the law is compulsory. It says we have to provide the money. We provide it on this basis and we think that in view of the record this is ample to meet the needs.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. HORAN. We felt that what we were facing was almost double inspection of products already inspected.

Mr. WHITTEN. Well, it certainly is, as I see it.

Mr. HORAN. I think the House ought to know that our total bill for meat and poultry inspection is in excess of \$33 million a year, and it is an item that we thought we ought to take a look at.

Mr. JENSEN. Mr. Chairman, at the outset of my remarks I wish to compliment the members of this committee for the good job they have done in bringing this most difficult bill to the floor of the House in the condition in which we find it today. It is a big job to initiate appropriations for the Department of Agriculture, especially under present circumstances.

I have served on the Committee on Appropriations with all the members of this committee, and I hold them all in the highest regard.

I came to Congress with my very able colleague from Minnesota [Mr. ANDERSEN]. We have worked very closely together on all matters pertaining to farm problems, and every other problem that affects the welfare of our country. CARL ANDERSEN is a statesman of the highest order. Also the very able gentleman from Mississippi [Mr. WHITTEN]. I know his heartbeat. I know he is sincere in all of his duties as are the other members of the committee. I hold them all in high esteem.

I am very pleased especially about the appropriations for Soil Conservation Service and Watersheds, for the amount of funds which the committee recommends. America receives more present and long-time benefits from this service than from any other Federal agency. It seems there are some folks in the Department of Agriculture who are not properly sold on the great value of the Soil Conservation Service, because Soil Conservation Service request for funds is regularly trimmed down before it gets to the Budget Bureau. Now I am certain I speak for a great majority of my colleagues on both sides of the aisle when I commend the committee for the amount provided in this bill for Soil Conservation Service. I have never been accused by my colleagues of wasting the taxpayers' dollars, but I try not to be pennywise and pound foolish.

Now, Mr. Chairman, I would like to use the balance of my time to explain our green acres farm program, which is a new approach to the solution of the vexing farm problem, which has, as you know, been proposed by Congressman H. CARL ANDERSEN, of Minnesota, and myself. Mr. ANDERSEN has just most ably and correctly explained our bill to the House in full detail.

Our plan is known as the green acres farm program, and is the result of many months of study, investigation and discussion with scores of farmers, farm organizations, farm editors, county extension agents, ASC and SCS officials, and livestock feeders.

Our bills, which are identical, were introduced on May 1, last. Congressman ANDERSEN's bill number is H.R. 12000, and is H.R. 12001. We are pleased to report

that our bill has already met with much nationwide approval.

In the time allotted me I will point out the most important provisions of our bill.

The cornerstone of our green acres farm program is the requirement, after approval in a single nationwide referendum, that every farmer producing corn, oats, barley, soybeans, flax, and all other feed grains, and also wheat, in order to qualify for the benefits under our bill, must have 20 percent of his cropland in grass, hay, or pasture, green acres, so to speak.

To protect the livestock industry, every farmer will be offered 25 percent of his normal yield in payment-in-kind out of Government surpluses if he completely retires his green acres which constitute 20 percent of his total cropland, or he can use his retired acres for pasture hay, and so forth, and receive no pay on such acres.

Farmers who already have 20 percent or more of cropland under green cover would be immediately eligible for the green acres program.

Congressman ANDERSEN is the top minority member on the subcommittee which appropriates for the Department of Agriculture and all of its programs, and I am next to the top minority member on the full 50-member Appropriations Committee. Both of us have constantly advocated measures to conserve our soil, and to increase the farm income.

Early this year Congressman ANDERSEN, Congressman HOVEN and I introduced a payment-in-kind bill for corn alone. It won much nationwide approval, and that acceptance led me into this present collaboration with my neighboring colleague, Mr. ANDERSEN, himself a farm operator at Tyler, Minn. I was raised on the farm, and for 24 years dealt almost exclusively with farmers in the retail lumber business in Exira, Iowa, my home, and since coming to Congress I have worked closely with farmers and can understand their problems.

Congressman ANDERSEN recently spent 2 weeks in the Middle West meeting with hundreds of farmers in all lines of production, and with many other interested people, and he is pleased to report that with hardly a single exception they approved our green acres program, said it was economically realistic and predicted its success if made law, which we sincerely hope it will be during this session of Congress.

The best agriculture experts we know have assured us the green acres program would in the first year bring about a balance between production and consumption of these grains. The farmer would make his green acres contribution in return for the other liberal benefits provided in our bill, and which would stabilize all farm prices on a much higher level.

To liquidate the huge price-depressing surpluses now stored at huge cost, we provide an additional payment-in-kind equal to 80 percent of each farmer's average yield for other cropland taken completely out of production, not to exceed one-half of the whole farm. We

can afford to pay the farmers liberally for reducing production when such payment is made in kind. The participant can either use such grain, or cash in his Government certificate at his elevator or bank.

Outside the green acres, our bill provides that each farmer could produce any and all of these grains, and receive a price support of 80 percent of parity the first 2 years, 85 percent the next 2, and 90 percent thereafter. Both ANDERSEN and I have been staunch supporters of 90 percent of parity for basic farm crops. With no surplus production, this price support schedule will cost the taxpayer very little, as you can see, when commodities on hand are used in lieu of cash outlay. The county ASC office has a history record for every farm in their respective county, hence administration costs will be about the same as at present.

In a few years, after present surpluses have been liquidated, American farmers, except for their green acres, could go back into full production with a parity market demand for everything they produce. We must always maintain an ever normal granary as a necessary reserve to protect the public against an emergency.

Figures furnished in support of any proposed farm program are convincingly in favor of the green acre program.

Using a 160-acre Iowa farm, for example, our best estimate of the average gross income for 1960 under the present farm program will be about \$7,000. Under the green acres program in 1961, at 80 percent of parity, we estimate the gross farm income would be not less than \$8,000, with a reduced cost of production due to the decreased crop acreage. In 1963, when price supports go up to 85 percent of parity, the same 160-acre farm will again produce no surpluses and we estimate a gross income of approximately \$9,500. Finally in 1965, that same farm should gross not less than \$11,000 due to increased prices for grain and livestock, and will be back in full production, less the green acres. Supports will be at 90 percent of parity. Production will constantly be in balance with consumption.

Farmers should have first priority to purchase Government storage bins, as such bins become empty.

This increased income is bound to come, not only because of higher grain prices, but also because of the higher hog, cattle, sheep and poultry and egg prices, which higher grain prices will generate. We believe hog prices, for example, will hit a top of at least \$24 per hundredweight within a year after our bill is made law.

It will not be difficult for every farmer to calculate his increased income under the green acres program by applying the above figures proportionately to his own operations; and remember our bill is truly a family sized farm program.

We feel certain that within 5 years after our bill is made law, the green acres program will raise the average gross income on Iowa farms 50 percent, and in other States proportionately, because it will bring about a balance in

production, will liquidate the present surpluses, and secure for the farmer and the rural businessman their fair share of our national income.

Congressman ANDERSEN and I, and other proponents of our bill, have urged the Agriculture Committees of Congress to approve our bill and to bring it to the floor of the House and Senate for early consideration, and we hope for its adoption during this session to assure its full operation in 1961. Everyone who is interested in the farm problem should waste no time in letting their Congressman know the kind of a farm program they believe will best solve this vexing problem for them and for all America. We feel certain that after a study of our green acres farm program, it will be the choice of the great majority.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. ANDERSEN of Minnesota. While we were formulating this bill I recall that often the gentleman was concerned about any possible deleterious effect it might have upon beef cattle and beef products.

Mr. JENSEN. Right.

Mr. ANDERSEN of Minnesota. The price of beef cattle and so forth. The gentleman, of course, knows he and I have agreed in our consultations on this with other men that we put the support price on corn up to \$1.30 a bushel instead of 98 cents, which is prevalent now in western Iowa and Minnesota. This price would make any farmer stop and think whether or not he wanted to increase his hog production because certainly no farmer wants to produce hogs just for the fun of it; it is a lot of work. I have produced a lot on my own farm. Consequently it would mean farmers are not going to produce so many hogs as they would with dollar corn in sight. Then the goal will be about 5 million fewer hogs a year instead of the much higher number that will be produced in 1960.

The fact that 5 million hogs are not produced in turn will help the entire beef market. That is the conclusion we have come to, is it not?

Mr. JENSEN. That is right. Naturally, I am greatly interested in the welfare of the hog and cattleman because the district I have the honor to represent is one of the largest hog producing and cattle feeding areas in the Nation.

Mr. ANDERSEN of Minnesota. And the gentleman's district is also a family-sized farm district?

Mr. JENSEN. Yes; and our bill is purely a family-sized farm program.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Iowa.

Mr. GROSS. What does the gentleman's bill do with respect to foreign imports of meat products?

Mr. JENSEN. I wish we could stop that in this bill, but we cannot. That is legislation not appropriations as the gentleman knows we are not a legislative committee. I may say I share the gentleman's concern about the great amount of imports shipped into this country which is helping to depress

farm prices no end. I am ready to raise tariffs, and plenty, to protect not only our farmers, but businesses and labor too.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. WHITTEN. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, at the outset I wish to pay tribute to the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], for his tremendous work on this subcommittee and for the solicitude he has shown to the members of the committee, and especially to me, not only in the asking of questions in order to educate a city member of the committee, but also to develop a program which will be beneficial both to the farmers and to the consumer.

I also want to commend the ranking minority member, the gentleman from Minnesota [Mr. ANDERSEN], and Mr. MARSHALL, who have taken a city boy in tow in the rural electrification program, in the rice paddies of Asia, and in the pens among the hogs and the pigs and the cattle in Nebraska and Illinois. Likewise, I extend my thanks and appreciation to the gentleman from Kentucky [Mr. NATCHER] for his continual assistance, and help and for the information which is basic to farm problems and which a city representative would not normally understand.

I come to you to talk about a farm appropriation bill and ask you to support it. I support this bill because I believe that it is in the interest of the farmer as well as in the interest of the consumer throughout the United States.

As a representative from the city of New York, I would like to speak to city representatives who I know feel erroneously that there has been a giveaway to the farmers and that the farmers are getting rich in the collection of storage charges of surplus grains. Insofar as payments for storage are concerned, let me state to you gentlemen from my observation and study of conditions in Illinois and in Iowa and in reading the various committee reports, that it is not the farmer who is collecting the high storage payments. Those who are profiting from the high and excessive storage rates which are a disgrace to this administration and to the United States belong to an industry whose profits have been so abnormally high that a new gang of "quick-buck" artists have entered into the industry. Because of our Government's guarantee of storage business and administrative policies which direct that grains be stored in commercial bins instead of in Government bins regardless of the availability of Government bins, storage costs have zoomed to \$600 million a year. This Government policy must be ended.

Perhaps in the past there have been some farm programs which have been wasteful and did not accomplish the desired result. When we eliminated the acreage reserve program, we eliminated, in my opinion, a very expensive and wasteful program. There are still some wasteful farm programs, but as I see

it, they are at a minimum. The committee made some recommendations along these lines.

This appropriation bill reduces the request of the President's budget totaling \$4,135,263,190 by \$170,481,690 and recommends the sum of \$3,964,781,500. The committee has decided not to restore the capital impairment of the Commodity Credit Corporation to the extent of \$98,500,000. The committee has demanded an investigation of the storage rates, obtained such an investigation, and after the report was submitted to the committee and discussion had with the Department of Agriculture, the Secretary of Agriculture announced that despite the opposition of the warehouse industry, that it is reducing storage rates by 19 percent, which will thereby reduce the total cost of storage rates by \$98,500,000.

I would like to point out to the city representatives that this bill is approximately \$4 billion. The farmer receives direct price support, which is measured by the amount we restore the capital of the Commodity Credit Corporation. The total amount of capital impairment ment which we have restored in this appropriation bill amounts to \$1,226,500,000, which is the direct support which the farmers receive in one form or another. The remaining sum contained in this appropriation bill is spent for benefits which are mixed. Benefits which not only the farmer, but also the city worker and friendly foreigners receive.

The mixed benefits can be classified in four categories. One is the improvement and protection of the public health, such as the inspection of meat and poultry, where we have appropriated \$21,562,000 for meat inspection and \$500,000 more than last year for poultry inspection. We have, furthermore, the school lunch program with its direct appropriation of \$110 million in cash and \$45 million by transfer of funds from section 32, in addition to transfer of surplus foods. We also have, as you know, the special milk program, costing \$75 million, which goes to many people on public assistance, and we have donations of food supply to needy folk.

A second category is the improvement of international relations and in defense, such as donations to needy people abroad, emergency famine relief, sales for foreign currency and bartered materials for stockpiles, such as wheat to Brazil in exchange for thorium and rare earths. While we must restore the capital impairment of the Commodity Credit Corporation for these items, and these items are listed in the report as reimbursement for special activities totaling \$1,443,634,000, we recognize that these expenditures serve the farmer indirectly and serve our international policy whatever that might be.

A third category of mixed benefits to our farmer and other economic segments of our population is the improvement of marketing systems, such as marketing inspections and freight rate service, which in this bill amounts to \$43,143,000.

A fourth is the improvement in conservation of our Nation's natural resources, our land, in the prevention of

floods, in agricultural conservation, and in technical assistance in conserving land under the soil conservation program. These programs, you will note in the committee report, cost \$143,132,000.

Members of the House, these are mixed benefits. They benefit not only the farmer, whose total gross income last year has once again fallen, but also benefits our city people, our schoolchildren, our welfare recipients, and, yes, even some of our senior citizens. They also benefit the friendly foreigners whose support we seek, by our mutual security program, and by these programs. We, from the cities, must not therefore conclude that this farm appropriation bill is a one-way street. Our interests, economic and national, are intertwined, and inasmuch as I deplore the attitude of the city Representatives that price supports are giveaways to the farmer, I deplore the attitude of the farm Representatives and rural Representatives that funds for housing and depressed areas are socialistic and giveaways. We, in the cities and in the farm belt, have a common concern in preserving our national resources whether it be in the form of preservation of farms or in the protection of our water supplies. We have a common interest in aiding our people in the depressed areas of the country and our people who reside in the big cities.

We know from experience that if the farmer suffers and cannot sell his crops or commodities, he loses the purchasing power which is so necessary for him to buy the equipment to work his farm and to buy the machinery which the manufacturers of New Jersey, Connecticut, and Pennsylvania produce. We know that if the farmers go broke, they cannot buy the refrigerators, the televisions, the electrical appliances and the clothing which are produced in the factories of New York and the mills of New England, and now in some of the garment factories in the Southern States along the Atlantic seaboard. If they do not have the funds to purchase these articles, we, in the cities, cannot sell our garments, we cannot sell our appliances, we cannot sell our machinery, so we must suffer, too.

I have made during the hearings an inquiry as to the extent of the connection between the city residents and the farmers. I have been astounded to see how many appliances the 4,200,000 household membership of the REA has purchased. I direct your attention to volume 4 of the hearings of this year, pages 95-110. These will disclose the extent of the connection. This program of electrification by the REA of our farms has generated \$14 billion worth of private business, with the manufacturing companies in the industrial areas of our country's selling and the farmer's buying. Without such program, I wonder how many more depressed areas we would have like the district of Congressman BAILEY, of West Virginia, or Congressman FLOOD, of Pennsylvania, or Congressman KILBURN, of New York. I am certain that there would be many.

I have looked about to find out the reason for the high prices to the consumer to determine whether the direct subsidies to the farmer is causing the housewife and the consumer to pay a higher price for the food commodities. From my inquiry I say that the fault lies not in the amount of price supports or money that the farmers are getting, but in the distribution of our surpluses, in the costs which are saddled on the price which the farmer gets. Reliable information indicates that the farmer receives only 38 cents of the consumer \$1. Where does the rest of the money go? It goes in the cost of distribution, it goes in the cost of transportation, it goes in the cost of storage. I take issue with the statement of the spokesman of this administration that we, in the cities, are buying more with our dollar and that we have no reason to complain. Our dollar does not purchase more, when you compare what 1 hour of factory labor can purchase today with what 1 hour of factory labor could buy years ago. I want you to recall that the comparison does not take into consideration the taxes that we have to pay and does not take into consideration the fact that many people are nonfactory workers. We have our service trades, our nonfactory workers, and our senior citizens living on pensions who are suffering with the high level of consumer prices.

Despite price supports on wheat, corn, and other basic commodities, the small farmer must rely in a large measure on a nonfarm income to obtain the necessities of life. Farm income is low, on a real basis or on a comparable basis. Net farm income in the last 7 years has dropped from \$14.4 billion to \$11 billion. The consequences of low farm income manifest themselves in the flight from the farms, in the decline of small family farms, and in the drop of farm employment to the extent of 1,374,000. The unemployed farmers swell not only the unemployment rolls in the rural areas, but the relief rolls in the cities. We must, therefore, continue our aid to the farmers of the country.

I would like to discuss a program which the parents of the city have contact with and can see tangible results. I refer to the school lunch program, which is of vital importance to the school children in the cities and also to the schoolchildren in the rural areas. This bill provides for an appropriation of \$110 million cash payments and \$45 million obtained from a transfer of section 32 funds, which as many of you know are the funds which are derived from receipts from taxes on imports. This composite figure of \$155 million represents an increase of \$1,342,752 over last year's appropriation and is designed to take care of the 500,000 additional children who have enjoyed and are participating in the program since last year. I believe that this program has accomplished its objectives of extending the market for agricultural food commodities and to improve the health and well-being of the Nation's schoolchildren by providing a well balanced school lunch.

In the past 25 years there has been a tremendous expansion in school food services. In the immediate years ahead, there is likely to be further substantial expansion. By 1965 it is expected that 7½ million more children will be attending elementary and secondary schools, pushing total enrollment to the almost unbelievable total of almost 47 million. As new schools are built and as old ones are modernized, more and more school facilities will be available to meet the growing demand for lunches at school. I am pleased to note that the District of Columbia has expanded the program substantially over last year.

I am no farmer, I have no farmers in my district nor do I have any farms in my district except rock gardens and small backyard plots. I do not even represent those crabgrass weekend farmers of suburbia, but I do know and I am firmly convinced that in America there is an economic unity between the man who toils on the farm and the worker who labors in industry.

While I have been asking you to support this bill, I want you to know that in the administration of the farm program and in its allied fields, everything is not going well. The storage problem in the United States is a national disgrace and this administration must assume the blame. I have been in the corn fields of Illinois, I have studied the storage problem in the great State of Iowa where more than one-third of the corn is stored, I have inquired into the storage of wheat, and I state unequivocally that this administration has been wasteful and shamefully prodigal. We have Government bins which are 65 percent utilized. We can build bins which would not be costly. The cost to the Government for the storage of a bushel of grain per year averages about 6½ cents per bushel. Corn has been stored since 1952. This administration has adopted a policy of storing grains in commercial warehouses at a cost of 16½ cents per bushel per year when the cost to the warehousemen is 10 cents per bushel per year and less. As a result of the high profits and practices of the Department of Agriculture of this administration, men have built warehouses with guaranteed storage and have recouped their investments within a period of 1½ years and thereafter everything is profit. These are men who have never been in the warehouse business who render no service except dead storage. The administration has announced after prodding by the committee and after an investigation that it will reduce, commencing July 1, 1961, storage rates by 19 percent or 3 cents per bushel. In 1959 the cost is \$481 million in storage rates. In fiscal year 1960 it is estimated that it is going to cost us \$612 million. In 1961, if the rates are not reduced, it will cost our Government, through the CCC, \$700 million.

Another major criticism is the disinclination or the reluctance of the administration to use the moth ball fleet which we have in the Astoria River in the State of Washington, in the Hudson

River in the State of New York, and in the James River in the State of Virginia. We have over 106 ships which can store 34 million tons of wheat at practically no cost, and yet the administration continues its ill-advised policy of maintaining storage in commercial warehouses. Such a policy must and should be discontinued.

I am very pleased that the committee agreed with me on the need for appropriating funds for a soil research center to be located in Cornell University at Ithaca, N.Y. A Senate report had previously recommended that a soil research center should be set up either in Pennsylvania or New York. The Department of Agriculture notwithstanding the Senate recommendation and the admitted need was disinclined to set up such facilities. The committee after listening to testimony from both Republican and Democratic representatives from the State of New York allocated \$325,000 for this research center. We know that great benefits to the State of New York, the eastern area of the United States and to soil conservation will result from this appropriation. I am delighted to have played a role in seeing that a needed and beneficial program was provided for in this appropriation bill.

I trust that this appropriation bill will be approved.

Mr. YATES. Mr. Chairman, if the gentleman will yield for a question; where did the gentleman get the figures on the difference in prices between the amount paid for Government storage and the amount paid for private storage?

Mr. SANTANGELO. There are figures in the record which indicate the cost to the Government. In addition to that, I have had conversations with the directors of the Commodity Credit Corporation as to the storage charges in Government-owned bins. They said it cost 6½ cents per bushel per year. They also said that the warehouse industry indicated in certain circumstances the price goes up to about 10 cents per bushel per year and then goes down to about 6½ cents. Normally the greater the storage the lower the unit cost. However, in the case of some of these big grain warehouses, on 750,000 bushels or better, the price goes back to 10 cents per bushel per year. It does not make sense, but these other figures which the Department of Agriculture has obtained are the figures which the warehouse industry has submitted in their negotiations and are substantially the figures which show that after the reduction they still have a spread of 3½ cents over the maximum cost which they say they are spending in the storing of this grain.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Kansas.

Mr. AVERY. This is a very important matter as far as my State of Kansas is concerned. I know the gentleman wants to be absolutely fair about this when he points out that the differential in warehousing cost is the difference between 16 cents and 6 cents, but he should also

state that even though that 6 cents cost could be proven, or even 11 cents, which is the figure the Department of Agriculture furnished to me—he should recognize the Government warehouse is not charged up with the guarantee of the condition of the grain, as a private warehouseman has been. Government storage is not charged up with the quantity measurement that takes into account shrinkage, which the private warehouseman has to guarantee to the Commodity Credit Corporation, nor taxes paid. There may have been unjustified earnings. I am not taking the position that 16 cents is right, but to be absolutely fair the gentleman should admit these other costs of private industry do not occur to the Commodity Credit Corporation.

Mr. SANTANGELO. Under the uniform storage agreement under section 10, there is a provision where if there is spoilage or a danger of deterioration they can ask permission to sell it and dispose of it so as not to incur a loss.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Minnesota.

Mr. MARSHALL. They told us that the spoilage of grain and corn in these bins is less than a fraction of 1 percent. So the amount of spoilage that has taken place in these bins is an infinitesimal amount.

Mr. SANTANGELO. I agree with the gentleman.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield.

Mr. SMITH of Iowa. So that the RECORD may be straight, does the gentleman agree with the figure given by the Department of Agriculture, that it costs 5.1 cents per bushel for storage and you get less than two-thirds of a cent for shrinkage, so that the cost is over 6 cents, with this item included. That does not include taxes, of course, because the Federal Government does not pay taxes. But is that correct?

Mr. SANTANGELO. I agree with the gentleman.

At this point I would like to commend the gentleman from Iowa for the fine work that he did and the information he elicited during the hearings in Iowa, where he showed the trade practice that the Government was directing them to put into private warehouse. They could just as well have put it in the Government bid and paid the private warehouse the money for storage and thereby saved the matter of moving the grain.

We have the school lunch appropriation, \$110 million in cash and \$45 million by transfer of funds to the Department of Agriculture.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to my chairman.

Mr. WHITTEN. I want to say to the membership of this House that it is in the American tradition for us to have on our Subcommittee on Agricultural Appropriations a member such as the gentleman from New York, and I mean

downtown New York. He is a splendid lawyer and a tireless worker, who is interested in the subject. He works untiringly not only in the committee but out in the field. He has more energy than most of our members. He has contributed greatly to the considerations of this subcommittee and he has performed great services not only on the subcommittee but also by his understanding of the problems of the industrial and city areas. He has brought essential balance to this subcommittee, which I think is a tribute to the arrangement which put him on this subcommittee. The gentleman from New York [Mr. SANTANGELO] has done a great service on this committee, a great service; and I am glad to say so.

Mr. SANTANGELO. I thank the gentleman.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Illinois.

Mr. YATES. Will the gentleman comment on the question whether or not grain stored in any of the ships in the mothball fleet would deteriorate, being in ships that are in the water?

Mr. SANTANGELO. The information which I have is that they will not deteriorate. Corn cannot be stored in the mothball fleet, but we can without any difficulty store the wheat. The proof of the pudding is in the storage. They have about 30 ships which are full, but they have 86 which are empty, and they will not use them. I say we should use those ships. They will not spoil if the grain is put in the mothball fleet.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HORAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, I would like to raise at this point some of the questions that I raised in the full committee in reference to the report and, more specifically, the various charts at the conclusion of the report that are a summary of the appropriations and authorizations made for the current fiscal year, the budget estimate for fiscal 1961, the amount recommended in the bill for 1961, and then a comparison of the bill before us with the 1960 amounts and the 1961 estimates.

As the chairman of the subcommittee knows, in the full committee I raised a question or two about how the committee report handled the contingency funds in the compilations at the conclusion of the written part of the report. As the gentleman from Mississippi knows, perhaps better than anybody in the House, it has been a practice for some time, I believe, that we have contingencies in this bill that are handled a little differently than contingencies in other appropriation acts. It is my understanding in this report on the bill that we have \$100 million in contingencies for the REA loan authorization, \$50 million for the electrification part and \$50 million for the telephone part. In addition there is a \$40 million contingency in the loan authorization portion of the Farmers Home Administration.

Now, as I look at the charts in the committee report I do not see those contingency funds, which total \$140 million, as being included in the tabulation. They are footnoted at the bottom of the various pages in the report.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Mississippi.

Mr. WHITTEN. The gentleman is correct. That is the way the report is written. I would like to indicate, with the gentleman's permission, the reasoning of the committee. We have carried this for a number of years. For instance, for fiscal year 1960 we had \$180 million loan authorization for the Farmers Home Administration and \$20 million in the contingency fund. Last year they sent us a budget recommendation for \$140 million. We had to increase it because of the demand for loans.

Here again the gentleman refers to our conversation in the whole committee. Now, here is our reasoning, and if the gentleman reads the report, he will understand it, and I think anybody else who reads the report will understand it, so I do not think there is a problem for anybody to find out what the situation is. In our report we spell it out and in our tabulations we spell it out. Here is the reason we do it. If we put the amount plus the contingency in one bill, it would leave us where we were exceeding the budget. If we put it as we have, the budget has to increase itself, in which case we and the budget are still together.

Now, it is a matter of opinion. I appreciate the gentleman's statement, but I say flatly and unequivocally that we do make it possible for them to increase the loan authority in line with what the gentleman said, but they can do it only if the Budget Bureau approves it. And, again, if the Budget Bureau approves it, they have increased the budget. So, that is our reason.

Mr. FORD. May I just point out what appears to me to be certain inconsistencies in the report:

First. In the 1960 column, under REA, the \$136 million figure does not include the \$25 million contingency amount for electrification, apparently, because it was not released by the Bureau of the Budget.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. FORD] has expired.

Mr. HORAN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FORD. Mr. Chairman, I thank the gentleman from Washington.

Second. On the other hand, the 1960 REA figure of \$104 million for telephone does include the \$25 million contingency provided as indicated by footnote 10, apparently because it was used.

Third. In the 1960 column under Farmers Home Administration the contingency amount of \$20 million is included in the table and totals as indicated by footnote 7, apparently because it was used.

Fourth. But in the 1961 committee bill column which should represent the amounts recommended, none of the fig-

ures included the contingencies totaling \$140 million as disclosed by footnotes 8 and 9.

In consequence both the totals for the 2 years and the comparisons tend to be inconsistent in that they do not factually disclose the full amounts provided or recommended either in the tabulation or the footnotes.

Five. As a matter of fact, the argument that 1960 funds were not used cannot be wholly accurate as a statement until after June 30, because we are still in fiscal year 1960.

Another point that I think ought to be discussed is this. I understand that in eight instances throughout the bill items are reappropriated out of fiscal 1960 for utilization in fiscal 1961. For example, on page 6 the language is as follows:

And any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts.

Is there any idea from the hearings how much is involved in that instance or in any of the other eight instances?

Mr. WHITTEN. May I say to the gentleman that that is an emergency fund which is carried to meet emergency outbreaks of animal diseases and it has saved us many times. We cannot tell in advance how much demand there may be on it. We tried to restore the fund so that they can have it.

The gentleman will remember the emergency outbreak among hogs several years ago. We have had a number of such instances. Also we had the foot-and-mouth disease emergency. There is no way actually to know, so we cannot give exact figures. Agriculture, goodness knows, is charged with so much. If we charged them with something last year that they did not use, I think it is sound to bring it forward instead of counting it against both years. Be that as it may, as bad as this bill is to handle, if we have handled it satisfactory except for the points the gentleman has raised, I think we have done a wonderful job.

Mr. FORD. I know it is a tough job and the gentleman works hard at his responsibility as chairman of the subcommittee. But I think that in these instances where you are reappropriating 1-year funds for the next fiscal year we ought to have some information as to what the amount may be. All of the departments, to my knowledge, do make a forecast of what their unexpended, unobligated balances will be at the end of the fiscal year. Is there anything in the hearings which would give us at least their estimates of what these totals might be?

Mr. WHITTEN. The hearings will disclose that. Except for this emergency matter, we could supply the figures as to what the carry-over would be. In the soil bank, for instance, we brought forward \$30 million. Last year when this bill was up everybody was upset because of how much money was in there for the soil bank. Agriculture took all of that wave of publicity about it. Then it developed that they did not spend it. If that money had lapsed, if it had not

been brought forward again we would have been charged with that this year. So, putting the two together, it would have left Agriculture in just that much worse shape in the public eye. So we thought it well to bring it forward, show-

ing that last year we did not go all the way with it and we will use it next year. We have explained it in every instance. Mr. FORD. I think it is true that when you reappropriate like this and you do not know exactly the amounts, it

tends to some fiscal irresponsibility in the Department, particularly when they are 1-year funds.

The following chart or table is included to explain in detail several of the points which I have discussed:

Department of Agriculture appropriation bill, 1961—Revised comparative statement of appropriations for 1960 and estimates and amounts recommended in bill for 1961

	Appropriations, 1960	Budget estimate, 1961	Recommended in bill for 1961	Bill compared with—	
				1960 appropriations	1961 estimates
Appropriations (p. 51 committee report).....	\$4,665,643,551	\$4,135,263,190	\$3,964,781,500	-\$700,862,051	<sup>1</sup> -\$170,481,690
Loan authorizations (p. 52, committee report).....	466,000,000	367,000,000	417,000,000	-49,000,000	+50,000,000
Subtotal, appropriations and authorizations, per report table.....	5,131,643,551	4,502,263,190	4,381,781,500	-749,862,051	<sup>1</sup> -120,481,690
Add:					
REA loan authorization "contingencies".....	<sup>2</sup> 25,000,000		100,000,000	<sup>2</sup> +75,000,000	+100,000,000
PHA loan authorization "contingency".....	<sup>3</sup> (20,000,000)		40,000,000	<sup>3</sup> +40,000,000	+40,000,000
Total, appropriations and authorizations.....	5,156,643,551	4,502,263,190	4,521,781,500	-634,862,051	+19,518,310

<sup>1</sup> Some of this committee reduction in new appropriations requested for 1961 is offset by reappropriation for 1961 of prior year balances that otherwise would revert to the Treasury.  
<sup>2</sup> Contingency amounts of \$50,000,000 authorized for 1960 (Public Law 86-80); \$25,000,000 for 1 program only reflected on p. 52 of committee report; contingency

amounts of \$100,000,000 recommended for 1961 not reflected on p. 52; true comparison of 1961 bill with 1960 act, +\$50,000,000.  
<sup>3</sup> Contingency amount of \$20,000,000 authorized for 1960 reflected on p. 52 of committee report; contingency amount of \$40,000,000 recommended for 1961 not reflected on p. 52; true comparison of 1961 bill with 1960 act, +\$20,000,000.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CARNAHAN].  
 Mr. CARNAHAN. Mr. Chairman, there are several items in this agricultural appropriations bill for 1961 about which I should like to speak very briefly.

The first of these is the agricultural conservation program—a program which I believe to be the very backbone of this Nation's soil and water conservation effort.

I strongly oppose any efforts to effect a reduction in the ACP for 1961.

I oppose any such effort because I firmly believe that it would be a step backwards—a backward step this Nation cannot afford.

Soil is this Nation's greatest natural resource. It is from the soil that we derive our essential food, fiber, and raw products. This soil is a part of our legacy. We inherited it from our forebears and we have a sacred obligation to pass it along to those who come after us. It must be preserved.

Unlike most natural resources, our agricultural resources can be used and then at the same time restored and improved. It takes more skillful management to conserve our soil than for example it does oil, coal, or iron. Fortunately, though the process of conserving soil is a highly complex one, we do know how to do it, and have been doing a tremendous job in this field.

Congress has since 1936 recognized its responsibility in this area for it has wisely provided funds each year for the ACP. The original legislation for this program provided \$500 million; however, the funds authorized have varied from time to time and in recent years have been stabilized at \$250 million a year.

In my opinion, this voluntary cost-sharing type of conservation program is the very incentive needed to encourage farmers to carry out the necessary conservation practices on their lands. Because of the present price squeeze the farmer is not able to perform these measures if it were not for the ACP.

Not only is it in the interest of our farm families now living on the farms but for the conservation of the soil for future generations, that I feel no cuts must be made in appropriations for this program. The ACP has and should continue to play an important and essential role in preserving this natural heritage for us.

While records for the 1959 program are not yet available, it appears that ACP will total about the same nationally as in 1958. The following are some accomplishments under the 1958 ACP which I feel point out significantly that the ACP is obtaining the maximum amount of conservation on the Nation's farms per tax dollar invested:

ACP assisted in applying soil and water conservation practices on 1,083,706 farms and ranches. The average amount of assistance per farm was \$200.

ACP assisted in establishing nearly 2½ million acres of conservation cover. In addition to protecting the land, this conservation cover keeps land out of intensive crop production for at least 5 to 7 years and, in some cases, permanently.

Assisted in seeding almost 1½ million acres of additional rotation grass or legume seedings for soil protection. This keeps the land from producing surplus crops for at least 2 or 3 years.

Assisted in planting a third of a million acres of trees for forestry purposes which permanently retired these acres from field crops and pasture.

And ACP assisted in improving 1,800,000 acres of grass and legume cover on farmland to extend its lifespan for conservation purposes. Much of this land, otherwise, would likely have been shifted sooner to more intensive use.

The effect of these shifts in land use is cumulative. The practices established will stay on and protect the land for periods ranging from the length of a rotation to permanently.

Of course, grass and tree cover are only part of the conservation investments farmers made with the ACP in 1958. Some of the other measures established with ACP cost-sharing in-

cluded over 63,000 water storage reservoirs and nearly 5,000 miles of water diversions and spreaders; 54,000 acres of permanent sod waterways and nearly 856,000 acres terraced; almost a half million acres of stripcropping and nearly 1½ million acres of drainage for conservation farming and 1½ million acres of cropland tilled for temporary protection against wind and water erosion.

The need for the ACP in Missouri has been demonstrated repeatedly in past years by the response from farmers desiring to participate in the program. Under the 1958 ACP in my State, more than 43,000 farmers received cost-sharing assistance through the 114 Missouri County ASC offices amounting to a total of more than \$10 million which means they contributed at least that much more out of their own pockets to carry out these conservation measures.

Improved grass and legume cover was established on 120,458 acres.

ACP assisted in installing terraces to control erosion and runoff on more than 30,000 acres and over 500 miles of diversion ditches and dikes to divert runoff were constructed. In conjunction with this, 709 mechanical outlets were installed as protection against erosion on these structures.

Drainage practices, such as open and closed tile drains and shaping and grading, were performed on more than 157,000 acres to dispose of excess water.

To improve grassland management, 3,528 livestock reservoirs were built.

ACP assisted farmers in establishing 137,146 acres of vegetative cover for winter protection from erosion and encouraged them to seed over 21,000 acres of cover to protect cropland throughout the crop year.

During that year, farmers were assisted with the application of liming material on 408,305 acres to insure an adequate vegetative cover for conservation purposes.

We in Missouri are proud of the steps farmers are taking to help conserve the natural resources of our Nation. However, much credit must be given to the

ACP which encourages them to perform the needed conservation measures on their farms.

Another aspect of this appropriations bill which is of particular interest to me, Mr. Chairman, is the grants-in-aid to the State experimental stations. This is badly needed for forestry research, soil and water conservation research, and research in other fields of agricultural industry.

Most of the appropriation for this activity does, however, go to the field of forestry and related fields.

The State Legislature in Missouri last May made an appropriation of \$80,000 for the biennium for the forest survey. This work, of course, is being carried on in cooperation with the U.S. Forest Service. Recently the Director of the Agricultural Experiment Station approved a new full-time research position on the staff of the school of forestry, even though the increase in funds of agricultural research was relatively modest for this biennium. This position will be filled by a man who will devote full-time research in wood technology and products which is felt will be a tremendous help to the wood-using industries of Missouri. The annual cost of this position will be around \$15,000 and it is mentioned to indicate the support which the State has been giving to the research program in the school of forestry. There is a need for strengthening of forest research in the forestry schools in order that these schools may be in a strong position to turn out better trained scientists for the future and in order that the State experiment stations may carry their proper share of the research activities in forestry.

I urge support of this program by the Federal Government.

Another aspect of this agriculture appropriations bill which is of concern to me also, Mr. Chairman, relates to the program of plant quarantine. It has come to my attention that our present quarantine forces are so thinly spread out that we do not have adequate protection from foreign plant and animal pests. I feel that this program is of vital importance in safeguarding agriculture in this Nation. If this program is to be effective, it must form a tight line of defense at all ports of entry. Because of the increase in the number of ports, in part brought about by the opening of the St. Lawrence Seaway, and the increase in traffic at these ports, adequate funds are needed to expand this much needed protective facility of the Department of Agriculture.

In addition to appropriation for REA and RTA other aspects of this legislation of interest to the people of my district are the request for funds to eradicate brucellosis, and funds for the school lunch program. Having been a public school administrator for several years I know firsthand the values of the school lunch program.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, the Subcommittee on Agriculture of the Appropriations Committee once again brings to the floor of the House, for your approval, the annual appropriation bill for the Department of Agriculture.

It has been a pleasure serving with our chairman, the distinguished gentleman from Mississippi [Mr. WHITTEN], and the other members of this subcommittee. We were ably assisted by our executive secretary, Mr. Ross P. Pope.

For fiscal year 1961 we recommend \$1,294,647,500 for regular activities, \$1,226,500,000 for restoration of capital impairment, \$1,443,634,000 for reimbursement for special activities, \$417 million for loan authorizations under the control and direction of the Rural Electrification Administration and the Farmers Home Administration, and \$369,670,000 for permanent authorizations.

For the Agriculture Research Service, we recommend appropriations totaling \$141,507,000; \$67,934,000 of this amount is for research; \$52,011,000 is for plant and animal disease and pest control; \$21,562,000 is for meat inspection.

#### TOBACCO RESEARCH

The need for additional research in tobacco was clearly established during the hearings. Less research has been done on the mechanization of tobacco production than for other major crops and work methods used in tobacco production are still almost entirely manual. At the present time between 400 and 500 hours of human labor are required to produce and harvest an acre of tobacco. Total farm labor requirements for the 1,154,000-acre crop represents equivalent full employment for some 1,920,000 people for 300 8-hour days per year. Tobacco is grown on a total of approximately 1,154,000 acres in 22 States and is a major source of income in 8 of these States. Total production of tobacco in 1959 was about 1,800 million pounds which brought over \$1 billion cash income to producers. About 750,000 farm families are engaged in the production of tobacco. The number of hours required to produce an acre of tobacco has changed very little over the past 50 years. Labor requirements for other major crops, on the other hand, have been strikingly reduced. Tobacco taxes total a little over \$2½ billion annually to the support of Federal, State, and local governments; \$1.7 billion goes into the Federal Treasury and this does not include indirect taxes. Prior to the establishment of the income tax in 1913, for many years the second largest return to the Internal Revenue Bureau came from the impost of manufactured tobacco and related taxes.

From time to time, we have been informed that we are pricing ourselves out of the foreign markets. Accepting this view during the present session of the 86th Congress, we passed H.R. 9664. Under this legislation the parity price for tobacco was tied to the 1959 level. The purpose of this bill is to prevent the operation of the present parity formula from pushing the support price on tobacco beyond limits which the to-

bacco industry believes to be reasonable at present general price levels. Under the terms of this bill, the tobacco support level for 1960 will be the same as in 1959 and in subsequent years the support price will be adjusted from the 1959 level in direct proportion to the change in the parity index, using the previous 3 years moving average as a base.

Tobacco is one of the most important cash crops in America. In terms of cash receipts from the sale of crops in the United States, tobacco in 1958 was exceeded in value by only four crops:

1. Wheat.....	\$2,253,000,000
2. Cotton.....	1,928,000,000
3. Corn.....	1,412,000,000
4. Soy beans.....	1,117,000,000
5. Tobacco.....	1,007,000,000
6. Sorghum grain.....	569,000,000
7. Potatoes.....	373,000,000

Only recently the Common Market countries entered into an agreement which places a 30 percent ad valorem tax on our tobacco. This tax does not apply to the tobacco produced in the six Common Market countries, and certainly is not only restrictive but is an unreasonable tax which has for its purpose, complete exclusion of our tobacco for the next 10 years. In addition, we know that 60 countries in the world have, during the past few years, increased their import duties on tobacco. Our own subcommittee, in its travels in the Pacific and Far East from October 23 to December 10, 1959, discovered some of the problems confronting tobacco today. In the report of the Agriculture Subcommittee's trip we have the following statement:

We also visited the La Suerta Tobacco Co. in Manila to observe manufacturing processes and discuss use of American tobacco. While American tobacco is generally preferred, tobacco manufacturers are unable to get all they want because of a government program now in effect favoring local production of tobacco.

The tobacco industry is undergoing scientific and technological changes that have so significantly affected agriculture as a whole that it is now necessary to step up our research program for this commodity.

Certain increases for research were approved from 1953 through 1959. For livestock and products, we approved increases totaling \$7,894,000. For cereal and forage, increases totaling \$3,733,000 were approved and for cotton and other fabrics, we approved increases totaling \$2,150,000. Increases for research during this period of time for wool and mohair totaled \$715,000 and for major crops, \$295,000. Increases for tobacco research from 1953 through 1960 totaled only \$293,000. Increases totaling \$1,015,000 were approved for oil seeds and \$100,000 was approved for naval stores. Nine hundred and thirty-eight thousand dollars in increases for new crops was approved and \$900,000 was approved for crop and livestock protection. From 1953 to 1960 we approved increases for fruits, nuts, and vegetables totaling \$2,045,000. Research increases for all other crops during this period of time

totalled \$478,000 and \$6,102,000 was approved for forestry.

While the hearings were under way, the State of Kentucky, through its legislature, appropriated \$1 million for use in construction of an agricultural tobacco research center and in addition, appropriated \$50,000 to be used in tobacco research. Ordinarily, in setting up a research program or expanding programs, it becomes necessary to have a research laboratory building. With few exceptions, the Federal Government must bear the cost of the building as well as the equipment and other facilities necessarily required for research and for a research center. Since I have been a member of the subcommittee, some 9 or 10 laboratories have been constructed out of Federal funds, and, at no time has any State constructed a research center for use by the Federal Government. The laboratories constructed have cost the Federal Government from \$500,000 to several million dollars each.

Tobacco pays its own way and certainly adequate funds should be appropriated for research at this time. Our committee recommends an increase of \$250,000 for tobacco research. This amount will be used in conjunction with the \$1 million for the research center and the additional sum of \$50,000 for tobacco research mentioned above and will be used for planning, locating, constructing, and equipping of appropriate greenhouses with humidity and temperature control, and for appropriately equipping the special laboratories for tobacco research in the new center. Power, light, steam, and water lines and compressed air facilities must be installed for the greenhouses and for outlying field facilities. Machinery and shop equipment will also be supplied for the mechanization studies. A headhouse will be constructed in connection with the greenhouses for use in storing soil and materials in greenhouse work.

#### RURAL DEVELOPMENT

In 1955, we decided to appropriate a small amount for rural development. This program attempts to find the means whereby rural families of low-income status can be assisted to raise their income and to enable them to enjoy a level of living commensurate with our American standards. We know that our farmer has the right to demand a standard of living in keeping with the contributions he makes to the national economy. The amount expended in the rural development program has produced great benefits to our people. This is not a handout program. It is conceived as an educational and technical assistance program where agencies and organizations band together in a group to serve people of a community, county, or area. The three pilot counties in Kentucky are Butler, Metcalfe, and Elliott.

#### BRUCELLOSIS

During the past few months, I have received a great many letters from farmers throughout this country requesting that our brucellosis eradication program be stepped up instead of slowed down. The Department recommended \$15 mil-

lion for the brucellosis program, and we have increased this amount to \$19 million.

#### TRADE BARRIERS

Along with our many problems concerning agriculture in this country, we are faced with the problem of removing foreign trade restrictions against our agricultural commodities. It makes no difference how much time we spend on merchandising; we are simply helpless if the trade policies of our friends abroad permit our products only limited access to their markets. It is imperative that we continue our negotiations with other countries seeking to obtain lower tariffs on our commodities. Today we face stronger competition abroad than at any time during the history of this country.

#### RURAL ELECTRIFICATION ADMINISTRATION

In our REA program, we now have about 4,590,000 consumers on REA financed lines. We have some 1,426,000 miles of lines throughout 47 of the States at the present time. About 95½ percent of the farms, ranches, and rural establishments of this country have the advantage of central station electric power and about one-half of these installations are served by borrowers from REA. In considering our REA program in the future, we must keep in mind that this system serves a national territory. The average number of consumers per mile is only about three and one-tenth and a large number of cooperatives average less than two consumers to a mile. Due to the fact that the cooperatives are operating in such thin territories, the amount of equity REA borrowers have accumulated is exceedingly low. According to recent reports, 50 percent of the rural electric systems have less than 20 percent equity in their facilities. The budget authorizations for our REA Administration total \$110 million for electrification, and \$80 million for rural telephone service. To each amount, we have added a contingency of \$50 million.

#### RESEARCH

Our agricultural research program is one of the most important programs that we have today. This program must be geared to the problems now confronting American agriculture and be able to meet the problems in the future. A constructive research program should reduce waste and losses and improve efficiency of production. An adequate research program must also improve processing, marketing, and consumption. It should be able to develop new and improved crops and products and expand our markets for sale of our commodities. An adequate research program provides improved nutrition and better living for rural and urban people. We must expand our agricultural research program in order to meet the objectives which I have just enumerated. It is a recognized fact that the research facilities of the Department of Agriculture and of the State agricultural experiment stations are overcrowded and the majority need modernization at the present time. We must have modern, up-to-date facilities in order to meet the agricultural research needs confronting us today. In

addition to buildings required for research laboratories, we must also have the necessary personnel, properly trained and skilled in the sciences to carry on our research program. Today, we must compete with private industry to obtain the necessary scientists to carry out our research program. Certainly second-rate scientists should not be a part of our research program and, therefore, we must be prepared to compete with private industry for skilled personnel in this program. It is true that our agricultural research funds have increased over the years, but the results justify the amounts expended.

#### SOIL CONSERVATION SERVICE AND CORPS OF ENGINEERS' CIVIL WORKS PROGRAM

Twenty-five years ago we started our national soil and water conservation program. This program has had a tremendous impact upon American agriculture, and in my opinion it will be just as important in the year 1970 as it is at the present time. We have enough good land left in this country to keep us prosperous and well fed if we conserve and improve it. Today, we have more than 2,900 organized soil conservation districts. Soil conservation districts, which began 25 years ago as merely an experiment in local self-government, have demonstrated their value and now include 95 percent of the Nation's farms and ranches. Our people generally support our soil and water conservation program. This program has accomplished a great deal and millions of acres which were decreasing in value as a result of erosion have been restored to productive capacity. Many sections of our country which were heretofore subject to flood damage now are free from that danger. The provision for local conservation districts with local control and direction is the best way to achieve maximum results in conservation. We have every reason to be proud of our soil and water conservation program. This service is one of the great achievements of our present-day Government. Soil conservation means as much to my home State as to any State in the Union, and our soil conservation program, together with our Corps of Engineers, flood control, and navigation projects are producing results in Kentucky. Our farmers are remaining on the farms and, for the first time in a number of years, Kentucky will show an increase in population. We have 122 soil conservation districts in 120 counties in Kentucky with over 86,000 farms participating in this program. Conservation problems become more complex as population growth and technology brings about intensive uses and competition for our land and water. The estimates submitted by the Department of Agriculture for conservation operations totalled \$82,882,000 and we recommend an increase of \$250,000, making a total of \$83,132,000. We recommend \$32 million for watershed protection instead of the budget request of \$27,750,000. For flood prevention, we recommend \$18 million instead of the amount requested by the Department of

Agriculture of \$15 million. For our Soil Conservation Service, we make recommendations totaling \$143,132,000 which is an increase of \$7,500,000 over the amount requested by the Department of Agriculture.

This year will be the 137th year that Congress has appropriated funds for the Corps of Engineers' civil works program. Flood control, as we know it today, started in 1924 when Congress appropriated \$75,000 for the removal of snags in the Ohio River. In 1928 Congress authorized a flood control project in the Mississippi River Valley. The flood control program began on a nationwide basis in 1936 when Congress passed the first major Flood Control Act.

In 1824 Congress gave the Corps of Engineers responsibility for developing a system of roads, canals, and waterways. At this time the big problem was transportation, and the Corps of Engineers concentrated on making our inland waterways and inland and coastal harbors usable. Floods became of great concern as each year the towns and cities suffered loss of lives and heavy property damage. If, at this time, we had had a good constructive soil conservation program underway we would not have experienced this difficulty.

Today we have completed 525 flood control projects and we have 2,800 active Corps of Engineers projects. In addition, we have 1,565 miles of embankments along the main stem of the Mississippi. We have 23,000 miles of improved waterways and 500 harbors in this country today. The Great Lakes navigation system, the St. Lawrence Seaway, the Mississippi River and the Ohio River are only a few of the main inland waterways.

#### SCHOOL LUNCH PROGRAM

Our greatest asset is our schoolchildren. We recommend \$110 million for fiscal year 1961 and, in addition, we recommend the transfer of \$45 million from section 32 funds to be used to purchase meats and other foods necessary for our schoolchildren's lunches. This will provide a minimum of \$155 million for fiscal year 1961. According to testimony received by our committee, this program served an average of over 10.7 million schoolchildren during the 1959 school year, and with 30 percent of the Nation's 39,480,000 schoolchildren provided with noonday meals.

#### EXTENSION SERVICE

Our extension service has been of great benefit to the American farmer and especially so in the State of Kentucky. Funds appropriated for this program are used to supplement funds appropriated by State, county, and local governments for the employment of county agents, home demonstration agents, 4-H agents, and State specialists who, in turn, bring into force additional programs of the Department of Agriculture. The extension agents and the entire service in Kentucky is composed of dedicated people who are rendering a great service. We have succeeded in securing salary increases for our extension agents in Kentucky during the past 3 years and every

effort will be made to see that our extension agents are provided with adequate salaries. We recommend a total of \$66,335,000 for our extension service.

#### CONCLUSION

Mr. Chairman, each year 4½ million farm operators decide what to produce on the Nation's 400 million acres of cropland and 700 million acres of pasture. We know that our rural people must make many adjustments in order to keep their operations on a sound foundation. Today, more than at any time in the past, the business of farming demands the application of the most recent developments in science. We must keep in mind that agriculture is an industry that changes rapidly. Such changes create new problems for our farmers.

Our committee recommends this bill to the Members of the House.

Mr. PELLY. Mr. Chairman, I feel constrained to make certain comments in connection with H.R. 12117, the agriculture appropriation bill.

As my colleagues well know I have been strongly opposed to the present farm subsidy bill and indeed have been forthright in speaking against Government acreage and price controls which constitute in my opinion the costliest failure in our domestic history.

I expect later on to vote against this appropriation bill as I have voted against agricultural bills in the past as a personal protest against the present program. How anyone can justify spending approximately \$4 billion per annum on the farm fiasco is beyond my comprehension.

Certainly President Eisenhower was never more right than when he stated recently that in no domestic area do we have a more obvious need for corrective action than in agriculture.

Let me hasten to say that it is the farmers who have the chief source of complaint. They are the ones who suffer under the existing Federal program. I think they have a right to look to the Congress for corrective action.

Briefly I want to discuss various proposals to effect relief. I point up frequently the distressing fact that Government surpluses, even after the huge recent transactions for wheat disposal under Public Law 480, will represent a cost to the taxpayer of more than \$9 billion with an annual storage charge in excess of \$1 million a day. But in all honesty I must say the Farm Bureau has been practical in recommending a plan to move away from controls—rather than to abruptly terminate the program. I will go along with that general policy.

James Patton, the president of the National Farmers' Union, however, a month or so ago offered his solution. I absolutely abhor his suggestion, which was to license farmers. He suggested each licensed farmer should pay 2 percent yearly of the proceeds of his marketing to the farm organization of his choice—the Grange, Farmers' Union, or Farm Bureau—with the money going to promote sales and educate nonfarmers at home and abroad about the role of the farmer.

I wonder how the nonfarmer under such brainwashing would end up. But as for the sponsor of this plan, Mr. Patton was consistent because he said he favored a major shift of support for schools from local to the Federal level. He is for a Federal system.

We have many suggested solutions that go in the same direction as Mr. Patton would have us go, but not so far.

One is the program which I understand is favored by two of the Democratic candidates for the Presidential nomination. Under it a cartel or sort of central cooperative would be set up to control prices. The poor consumer I fear would assume an awful burden under such a monopolistic plan.

Personally, I think Congress should concentrate right now on a solution of the wheat situation because it is the most pressing.

Legislation of that nature has been introduced. It has been described as a new wheat marketing act. My colleagues from the wheat-producing areas of Washington State, WALT HORAN and CATHERINE MAY, are among those who sponsor this plan and they tell me it is both realistic and constructive. Under this wheat bill a national estimate of primary use would be established by the Secretary of Agriculture—then each State would be given an acreage allotment. Only wheat for human consumption would be regulated. Seventy-five-percent parity would be set as the price support level for the annual requirement.

Mr. Chairman, I am for restoring our farmers to a free enterprise basis and a returning to the law of supply and demand. Granted such action must be by degrees to stabilize the economy.

In the interim the provisions of the Horan-May and other bipartisan sponsored wheat marketing bills, it seems to me, would be helpful and a step in the direction which ultimately I hope will come.

Meanwhile, this legislation would reduce the cost of the program to the taxpayers; start an orderly reduction of the Government-held surplus and assure against disastrously low income levels to the wheat producers.

I hope the House Committee on Agriculture will not report out legislation just to invite a political veto.

Instead, let the House consider a bill which has a chance of being enacted into law. I will support corrective transitional farm legislation similar to the Horan-May plan because my able colleagues have convinced me of the merit of their idea until such time as consumption and supply are in closer balance.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Missouri [Mrs. SULLIVAN].

#### QUESTIONS ON POULTRY INSPECTION

Mrs. SULLIVAN. Mr. Chairman, I asked the chairman of the subcommittee for this time in order to obtain answers to several questions which occur to me about this appropriation bill and

its accompanying report, which I think will be of great interest to every housewife.

First of all, on poultry inspection, may I ask if the additional \$500,000 provided in the bill for poultry inspection will permit the continuous inspection beginning July 1, as required under the Poultry Inspection Act, of food items processed from poultry? It is my understanding from the officials of the Department that an additional \$1 million over the current year's appropriation would be required for this necessary function, and I have seen other figures showing it would cost anywhere from \$500,000 to \$1 million more. Therefore, the question which I have very strongly in mind is whether the extra \$500,000 provided in this bill will be enough to allow the Poultry Division to place inspectors on a continuing basis in all 300 plants now temporarily exempt from inspection because of a shortage of trained inspectors but which, under the law, must have their products continually inspected beginning with the coming July 1, and at Government expense.

Mr. WHITTEN. May I say to the gentlewoman, it is my personal judgment that what is involved is what we might interpret continuous inspection to be. The committee tried to investigate fully this whole matter. It is to some degree between the Department and the processors as to protecting public health. In no instance have the inspectors in the 200 plants found anything injurious to the public health, but the processors in turn could use the stamp of the Department as part of their advertising. In fact, 200 out of the 300 do that. They definitely would like to shift the burden of that cost to the Government. The other third would like the Government to give them the inspection free so that they would be on equal terms with the others.

The Department feels, as I understand it from their testimony, that having the little plants continuously inspected is not necessary to protect the public health, but they in turn refuse to give the stamp unless they do that inspection. What we do is say to the Department, "We are giving you that much money. Inspect them to the fullest degree to protect public health, but when you do it, go ahead and issue the stamp."

We thought that was a fair solution of the problem instead of meeting it head on. Whether you have to repeal the law by providing that no funds shall be used, or whether you have a lot of inspections to get the stamp, so far as the testimony is concerned, we thought that this was the best solution we could think of, and we hope we are right.

Mrs. SULLIVAN. Mr. Chairman, if the gentleman will be patient with me the law says all processing plants in interstate commerce must have inspection. About 300 have been temporarily exempted, but beginning July 1 that exemption expires. Now will he please explain the somewhat confusing, technical language on page 17, beginning on line 2,

dealing with the poultry inspection program. Does that language change existing law so far as the requirements of the Poultry Products Inspection Act are concerned? If it does not change the law, why put this language in the bill?

Mr. WHITTEN. Frankly, I would take it that it changes the law by giving the Department some say-so about what inspection is necessary to protect the public health.

Mrs. SULLIVAN. If it does change the law, as I also believe it does, is it proper for the Committee on Appropriations to change the requirements laid down for poultry inspection under legislation drafted by the legislative committee on agriculture, and enacted by Congress several years ago?

Mr. WHITTEN. If we ask for a rule and they grant it, we would have the privilege of changing it if we saw fit to do so. But, this is, frankly, subject to a point of order. We think it is better than nothing and this is the best we can do. So we have not tried to override anybody, but we do think it is the best solution that we could think of.

Mrs. SULLIVAN. The law says that all poultry moving in interstate commerce should be inspected, including products made from poultry. This language in the bill on page 17, "Provided, That the Department is hereby authorized and directed to make such inspection of poultry products processing plants as it deems essential to the protection of public health and to permit the use of appropriate inspection labels where it determines from such inspection that such plants operate in a manner which protects the public health, and not less than \$500,000 shall be available for this purpose," seems to say it would now be up to the Secretary in his discretion to decide which processed products are to be inspected, and under what circumstances the Department should assign inspectors to such processors, and also permits, apparently, some substitute seal to be used to attest to the wholesomeness of poultry which has not actually been inspected.

Mr. WHITTEN. If the gentlewoman will yield to me, I must say I have never been a stickler about jurisdiction. We have so many problems here that if somebody were to handle some of them, I certainly would not object. The Department cannot determine which products are to be inspected, but they can determine what inspection is necessary to protect the public health. But when a legislative committee says that the Committee on Appropriations must appropriate, it looks to me as if some other group has probably stepped a little far. I think they should inspect, but I think it should be for the protection of public health and not for the stamp. But if they say that they have inspected this plant fully and adequately to protect the public health, I do not think they should be permitted to withhold the stamp.

Mrs. SULLIVAN. The point I wanted to call attention to is this: If it is to be only a spot inspection program in plants making poultry pies, poultry soups and

other products containing poultry, and yet anything that goes through that processing plant would carry a seal of wholesomeness, then I think we are misleading the housewife in allowing that seal to be on the product indicating that it has been inspected when it probably has not been inspected.

Mr. WHITTEN. I do not know where we should end this. But they have been inspecting 200 plants and they have not found anything that would injure the public health and according to the letters that have been sent to me, they say that they pay for it because they want to use the stamp because it is a matter of advertising. I do think if the gentlewoman would go along with this, we can work with this and see if we can resolve the situation. Again I say, only one objection and out it would go.

Mrs. SULLIVAN. But under the law, all these 300 exempted plants will have to be inspected beginning July 1, will they not?

Mr. WHITTEN. Unless the other body should put in a statement that, notwithstanding the legislation, no part of these funds can be used for such inspection. Then the law would be repealed. We do not want to do that. We try to resolve it by saying that they must inspect, but the inspection must be for the purpose of protecting the public health, and when you do inspect, to say so.

Mrs. SULLIVAN. I thank my colleague very much for his frank answers. It is clear to me that the language in the proviso in question on page 17 relaxes the strict requirements of the Poultry Products Inspection Act insofar as that act now requires the inspection of all poultry and poultry products in interstate commerce. The act permitted temporary exemption of some plants from the inspection requirements for the convenience of the Government, because it was not considered feasible to provide inspectors at the start of 1959 for every plant in the country subject to the act. There was a shortage of trained personnel in this field.

So the act as originally passed allowed this temporary exemption for 18 months of plants for which inspectors were not available. The Secretary choose to use this administrative authority to exempt from compulsory inspection all plants doing further processing of poultry into poultry products like soups, pies, and so forth, on the assumption that he would need all the trained inspectors available in January 1959 just to cover all of the slaughtering plants.

The exemptions for the further processing plants expire on July 1. The Secretary has asked Congress to amend the law so that he can continue to exempt such plants. Congress has not done so. In the meantime, many of these further processors—200 out of about 300 exempted plants—have felt it was so important to have their products inspected for wholesomeness by the Federal Government that they have paid out of their own funds to have their products continuously inspected under a voluntary inspection program operated by the Department. Under the law, however,

they are entitled to the same kind of free inspection the slaughtering plants receive.

This bill provides an additional \$500,000 to the poultry division to provide inspection at plants processing poultry products but the language of the proviso on page 17 gives the Secretary discretionary powers he would not otherwise possess after July 1 to exempt particular plants from inspection. As I understand it, the proviso would permit a spot check inspection program, with a seal attesting to the wholesomeness of poultry products not produced under continuous inspection.

The CHAIRMAN. The time of the gentleman from Missouri [Mrs. SULLIVAN] has expired.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, few committees of the Congress spend so many long hours together as do our appropriations subcommittees. This is a natural consequence of the responsibility imposed upon us to examine not only every budget request but also the manner in which these funds have been and are being administered.

The work is long and arduous but it is rewarding because of the great opportunities it presents for lasting service and because of the associations developed in our day-to-day efforts. It is a privilege to work with such distinguished Members of Congress as JAMIE L. WHITTEN, of Mississippi; WILLIAM H. NATCHER, of Kentucky; ALFRED E. SANTANGELO, of New York; H. CARL ANDERSEN, of Minnesota; WALT HORAN, of Washington; and ROBERT H. MICHEL, of Illinois.

#### TRIBUTE TO CHAIRMAN

Every year I serve on the subcommittee, I become more and more impressed with the ability of our chairman; JAMIE WHITTEN is an able and conscientious representative of his district and the State of Mississippi but he is genuinely interested in the problems of all farmers everywhere in our country. The friendly and courteous atmosphere in which we work is built upon the mutual respect members of the subcommittee have for each other's problems and viewpoints. We do not always agree on what is best in every situation but we do agree that our common goal is a healthy and prosperous agriculture sharing in our Nation's growth and progress.

#### FARM TROUBLES REMEMBERED

That agriculture is in trouble today is too painfully apparent to need documentation. It should not be necessary to review in detail that part of our agricultural history which is remembered so clearly by every farmer who lived through it. I am speaking of the twenties and early thirties when falling farm prices, forced sales, farm foreclosures, bank failures, and dark depression forced a mighty Nation to its knees.

We fought our way back to the greatest productive effort the world has ever known. It should not be necessary to review the basic agricultural laws which

made this recovery and growth possible—parity payments and loans, soil conservation and good farm management, diversion of surplus production into foreign and domestic channels, crop insurance, and credit.

#### NINETEEN HUNDRED AND FIFTIES PROMISED HOPE

We entered the decade of the fifties with high hope and reasonable expectation that we would continue to go forward. Instead, we face the sixties with confusion and frustration. What has happened to us?

If past is prolog, it is worth our while to briefly consider the events and policies that went before. In so doing, we can penetrate some of the fantastic theories and new myths under which the realities of recent history have been buried.

#### NEED REALISTIC APPROACH

It is true that the farm problem has many facets and it is as complex as modern agriculture itself. Other segments of the economy are complex and face immense problems. Seldom, however, do we witness the pessimism that has gained thought among some agricultural "experts" in the mistaken notion that no solution is possible. What we need to do is look at our problems as realistically and with the same hardheaded candor practiced by other segments of our economy.

My own recollections go back to the beginnings of what has become the modern technological revolution in agriculture. As a small boy, I accompanied my father, then the first county agent in Minnesota, on some of his field trips. I heard him discuss crop rotation with the farmers in an area where the principal cash crop was wheat. I heard him discuss the need for growing a cultivated crop like corn and the advantage of putting land into legumes to restore humus to the soil. This impressed upon me the importance of technical know-how in farming operations.

#### GAS ENGINE AND TRACTOR

Better farm management, better disease control, and the beginning of mechanization expanded total farm output and released still other acres for the production of marketable crops. The development of the gasoline engine and the tractor together with the improvement of management practices created a new capacity.

The demand for production during World War I hastened the expansion to meet the needs of the world market cut off from other producing countries. We were prepared for the challenge and met it. When the war ended, the level of prices received by farmers plunged 43 percent between 1919 and 1921.

#### FARM CONFERENCE OF 1922

The general scare and heated protests finally led President Harding to call a national conference on the farm problem in 1922. This was the first such meeting in history and one of its recommendations directed the Congress and the President to "take steps immediately to reestablish a fair exchange value for all farm products with that of other com-

modities." It also suggested to farm organizations that they survey world supply-and-demand factors and "propose measures for proper limitation of acreage in particular crops."

The price drop eventually led to general income consequences, but for the farmer the effect was immediate and disastrous. No matter where he turned, no matter what alternative he chose, he was always the victim of lower prices and lower income. This meant a lower standard of living for himself and his family. It meant neglect of health and education and neglect of the farm itself.

#### PRICE OF UNWILLINGNESS

Those who still today say that government has no place in the economic affairs of the farmer might well study the economics of the twenties. As then, we can now try to solve the farm problem by an unwillingness to face facts but we must expect to reap the same consequences.

Who benefited from the unwillingness to act and the unconcern of the twenties? Consumers? A man walking the streets out of work does not benefit from low prices. Merchants? There were so many merchants with so much money on the books that any profit in operations was wiped out by bad paper. Did it help the banks? Look at the foreclosures of that period. I repeat, who benefited from the farm depression of the twenties?

#### M'NARY-HAUGEN BILLS VETOED

When the pressures building up for action finally led to efforts by Congress to intervene with the McNary-Haugen bills of 1927 and 1928, Calvin Coolidge twice vetoed them. Despite the shortcomings evident to us today and their short-sighted view of workable trade relationships, the bills did represent an attempt to act.

#### FARM BOARD FAILURE

The precedent of nonintervention was finally broken in the Agricultural Marketing Act of 1929 which created a Federal Farm Board to stabilize the prices of farm products by buying when supplies were excessive and selling when shortages existed. In 3 years, despite the sincerity of effort, three-fourths of its \$500 million appropriation was lost. In the face of the most devastating depression of all time, that action was too little and too late. Prophetically, the Board ended operations with a warning that withholding supplies from the market alone could not stabilize prices unless accompanied by production control.

To make matters worse, the enactment of the Smoot-Hawley Tariff Act totally ignored the importance of a sound trade relationship and ruined what foreign markets we had left. Its proponents chose to ignore the fact that we came out of World War I a creditor nation and we needed the two-way street of trade to maintain vital markets for the abundance of our production.

#### DISTRESS SPREADS ACROSS NATION

Agriculture was left to flounder while the depression deepened and the rest of the economy tasted the distress already

so familiar to farmers. No one who lived through that period needs to be reminded of the suffering and fear that terrorized the nation.

Sickened by callous inaction in the face of such overwhelming poverty, the American people swept the Republican Administration out of office with a demand for bold, new action.

#### SUPREME COURT KILLS HOPE

Congress passed the Agricultural Adjustment Act in the spring of 1933 in an effort to establish and maintain a "balance between the production and consumption of agricultural commodities." Using benefit payments as an inducement to control surplus production, the program was later augmented by marketing quotas for specified crops. When the Supreme Court nullified the regulation of production and the processing tax which helped to support the program in its decision of January 6, 1936, many farmers feared that the only remaining hope had been knocked out from under them.

#### NINETEEN HUNDRED AND THIRTY-SIX ACT OUTLINES PURPOSE

But within a year Congress responded with the Soil Conservation and Domestic Allotment Act of 1936 which provided means of controlling production and provided incentives for conservation of our soil by proper plowing, contouring, and crop rotation. Its preamble best states the new spirit of hope:

SEC. 7. (a) It is hereby declared to be the policy of this Act also to secure, and the purposes of this Act shall also include, (1) preservation and improvement of soil fertility; (2) promotion of the economic use and conservation of land; (3) diminution of exploitation and wasteful and unscientific use of national soil resources; (4) the protection of rivers and harbors against the results of soil erosion in aid of maintaining the navigability of waters and water courses and in aid of flood control; and (5) reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the five-year period August 1909 to July 1914, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio. The powers conferred under sections 7 to 14 inclusive, of this Act shall be used to assist voluntary action calculated to effectuate the purposes specified in this section. Such powers shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity that were forced into domestic consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities. In carrying out the purposes of this section due regard shall be given to the maintenance of a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both producers and consumers.

#### NINETEEN HUNDRED AND THIRTY-EIGHT ACT BROADENS PROGRAMS

To strengthen and broaden the existing programs, the Agricultural Adjustment Act of 1938 was enacted; the basic legislation responsible for the great strides in American agriculture.

It carried forward the principles of the Soil Conservation Act of 1935 in encouraging good management of the Nation's soil resources—not only, or even primarily, for the benefit of farmers but for the direct benefit of all future generations dependent upon soil for food and raw materials.

#### TOOLS TO BALANCE PRODUCTION

Loans, marketing quotas, and parity payments were provided as the necessary tools to enable the farmer to bring his production into closer balance with demand without complete and total collapse of income. For the first time, farmers themselves were called upon to administer their own programs on the basis of their own experience and to meet their own realistic needs.

Surplus production was diverted into domestic and foreign channels and programs to develop new uses for agricultural products were pushed forward.

As a further stabilizing effort, the Federal Crop Insurance Corporation was created to provide insurance against loss of crops. By 1942, one-fourth of all wheat farmers were taking advantage of this program.

#### REA SPEEDS MECHANIZATION

Another major contribution to the recovery and expansion of agriculture was in the making. Tomorrow we will observe the 25th anniversary of the creation of the Rural Electrification Administration by Executive order of President Roosevelt on May 11, 1935. Its modest beginnings did not foretell the great role it was to play in the continuing agricultural revolution.

It brought light to the rural home and with it the means of further mechanization in farm operations. By the end of 1936, almost 100 loans were approved and we had laid the basis for the labor-saving devices which enabled farmworkers to increase their output during the help shortage of the war years ahead.

The Nation has never seen a finer example of cooperation. Farmers worked with and through their Government to help each other help themselves.

#### MET CHALLENGE OF WORLD WAR II

Our agricultural plant was prepared for the great emergencies of World War II. Our stockpiles were a godsend to the entire free world and our farms were geared for the maximum output. The labor shortage was met with increased mechanization and production efficiency made its most spectacular gains. Once again American farmers were ready for the challenge and met it. Now some are saying they met it too well. This grisly bit of erroneous hindsight is unworthy of comment.

The world was grateful for our preparedness as the great breadbasket of democracy.

Technological advance with its increase in production efficiency was a sign to be welcomed rather than feared. We emerged from World War II and the Korean conflict with a greatly expanded potential to be turned to good or evil. We still had within our means the tools for a return to orderly production and wise use of our resources to meet immediate world needs while protecting our future capacity. Never was the opportunity so great.

#### END OF DISCREDITED POLICIES?

We thought we were done once and for all with the discarded and discredited policies of unhappier days. We thought these were forever forgotten in the dismal files of failure. It seemed unbelievable that anyone could consciously slip into the errors that could only result in a repetition of the sad history I have briefly recounted here.

I say to you frankly, Mr. Chairman, we failed to anticipate the unaccountable stupidity, at worst, or the incredible naivete, at best, of the men to whom we entrusted the opportunity that was ours.

#### DREAMING WITH EISENHOWER

In this, the twilight of the Eisenhower administration, the American farmer cannot help but ponder over the 7½ years which promised a bright dream that now seems to be only another nightmare.

If he is a corn farmer, he can recall how confidently he approached a new day at a time when all seemed well. At the plowing matches at Kasson, Minn., he had heard a great general who was a candidate for President promise:

And here, and now, without any "ifs" or "buts," I say to you that I stand behind—and the Republican Party stands behind—the price-support laws now on the books. This includes the amendment to the Basic Farm Act, passed by votes of both parties in Congress, to continue through 1954 the price supports on basic commodities at 90 percent of parity.

#### PLEDGES REPUBLICAN PARTY

Whatever misgivings this farmer may have had when he recalled the disastrous farm policies of the Hoover administration were quickly dismissed by this new candidate. In Brookings, S. Dak., he spoke not only for himself but for his party when he said:

The Republican Party is pledged to the sustaining of the 90-percent parity price support and it is pledged even more than that to helping the farmer obtain his full parity, 100 percent of parity, with the guarantee in price supports of 90.

#### SECRETARY OFFERS ASSURANCES

It seemed a great day on the farm, a bright and cloudless day without threat of impending storm. The farmer could relax with his family in the satisfaction of a hard day's labor done. The sunset promised a peaceful night and a glorious tomorrow.

Any doubts about the new Secretary of Agriculture seemed to be dispelled when he said firmly in St. Paul:

Our agricultural policy should aim to obtain in the marketplace full parity prices of farm products and parity incomes for farm

people that farmers will have freedom to operate efficiently and to adjust their production to changing consumer demands in an expanding economy.

#### GOLDEN PROMISES DISTURBED

Surely these golden promises would mean a bright, new day for agriculture. The farm programs that had helped him to pull himself up from the mires of depression would not only be continued but they would be improved. With his son home from Korea, the farmer could look forward to a peaceful world of growing markets that could only mean prosperity for his family and well-being for the Nation.

This was a time to sleep well and enjoy the dream of better things yet to come. A new voice interrupted this fantasy with a warning that the postwar level of prosperity in agriculture was "a dream world, and no one expected it to last." It came from Don Paarlberg, one of the chief architects of the new farm policy, in a speech at West Millbury, Mass.

#### FARMER RELUCTANT TO DOUBT

Our corn farmer drove the troubled thought from his mind. The gains made on his farm were real gains and certainly no one would seriously suggest a return to the dog-eat-dog economics that fed the farm depression. He remembered burning corn in his stoves because it was cheaper than coal. He remembered the neighbor who hauled 100 bushels of oats 10 miles to town to get \$3 to buy Christmas presents for his children. He saw fat cattle sold on the market at South St. Paul for 3½ cents a pound. He recalled the human suffering and reassured himself that the mistakes of which it was born would never again be repeated. Not when the future promised so much.

In the cool light of morning, the uneasiness returns with the echoed warning of the Secretary of Agriculture that "every young man requires the spur of insecurity to force him to do his best."

#### MORE CORN SEEMS ANSWER

He has lived with insecurity before and knows the sick fear it engenders. He is restless as the hopes and dreams of the night seem to dim in the cold light of the day. He has been told to "raise his sights beyond the dollar sign, beyond material things," but he knows that he must go on with the work of the day to feed his family and pay his bills.

He is told that he is now free to make his own decisions without socialistic controls and regimentation. Listening to a morning radio program, he learns that he may be able to receive a corn loan even if he does not stay within his allotment. Of course, he will receive less for his corn but he can make up the income by planting more corn since production no longer seems to be a problem. So he goes out to his fields to plant more corn and notices that his neighbors are doing the same.

With the prospect of more corn, he decides to keep a few more brood sows. Hog prices go down but he is told that he no longer needs to bother with the corn allotment. With acreage unlimited, he decides to plow up the clover

and legumes. He abandons crop rotation in order to expand his production.

#### UNIT TIMES PRICE EQUALS INCOME

After all, unit times price equals income. With prices down, he needs to grow more to meet the steady increase in operating costs and taxes. A bushel of corn buys less so the only hope is more bushels of corn. His neighbors, too, find themselves on the same treadmill.

Clouds are appearing on the horizon as our farmer's day draws to a close. The hope of better education and health care for his children is a vanishing dream. As the surplus piles up around him, his debts increase and his standard of living declines. What began as a day of promise is now darkened by the menacing storm clouds of an uncertain night.

#### WHAT DID PRESIDENT SAY?

And what does he hear from those who held out the golden promise? The answers had seemed too simple to them but now there is only confusion and uncertainty. At a Washington press conference, the President says:

Now, if there were any kind of reasonable plan that connected with other features of the thing they could bring something about that seemed reasonable and fair to the farmers, well, I would be glad to look at it and, because as I say, if it looks reasonable to me, I will approve it because I am just to this point—I know that we are in a bad fix, the farmers are, and I have had correspondence recently with some of my farmer friends because, individuals, to get statistics.

What does it mean?

With 83,000 employees in the Department of Agriculture, why is the President writing to his "farmer friends" to get statistics about the "bad fix" we are in?

#### THE DREAM IS ENDED

This is the troubled state of mind the corn farmer finds himself in after his day with Eisenhower.

All of this, of course, did not happen in a day. But the analogy of the bright day of promise ending with storm clouds all around is a valid one.

Our job now is to help the President understand how it happened. The experience has been too painful to be forgotten. To prevent the impending storm, we need to control the causes. We can do this only if we know the causes and recognize them.

#### HOW DID IT HAPPEN?

Using corn as our example, let us see what happened first to prices, then production, and finally to the whole farm economy.

When this administration assumed office, corn was supported at 90 percent of parity. During the previous year, the price of corn averaged 95 percent of parity. Prices were still holding good during the early winter of 1953.

There was no reason to expect change except for the good. The corn producer had every reason to believe that he could safely fall into a dreamlike state with nothing but prosperity to trouble him in the years ahead.

#### CORN PRICES HELD IN 1953

In 1953, the level of price support at 90 percent of parity for corn was \$1.60

a bushel. There were no acreage allotments that year and the average price received by farmers for the 1953 crop was \$1.51 a bushel.

In his farm message of January 1954 the President urged flexible supports for corn at modernized—or lowered—parity levels. He recommended a decrease of 1 percent in support price for each 1 percent increase in supply and asked for acreage allotments. For other grains, he simply asked flexible supports to be fixed by the Secretary of Agriculture.

#### COMPLIANCE DECREASES

Corn marketing quotas were repealed in the act of 1954 without having been used. Price support at 90 percent of parity was continued through 1954 with a drop to 85 percent provided for 1955.

Acreage allotments for 1954 were fixed at 46 million acres but farmers grew 54 million acres. The decrease in compliance was already being attributed to the threat of flexible supports in 1955. The Secretary of Agriculture merely said:

There were certain factors that tended to reduce compliance, I believe.

He did not elaborate further in his testimony before our subcommittee in 1955.

#### PRODUCTION UP; PRICES DOWN

While allotments were cut back for 1955, corn production again increased as the rate of compliance decreased under pressure of the drop in support prices and in the market price.

The coming trouble was evidencing itself in 1956. This was the first year of transitional parity, the first year of a price support to noncooperating farmers in the commercial corn area, and a substantially higher price support to producers in the noncommercial corn areas.

#### SUPPORT UP; PARITY DOWN

In February 1956, the Secretary of Agriculture announced a price support based on transitional parity of \$1.40 per bushel to growers keeping within allotments. By mid-April it was increased to \$1.50, which amounted to 86.2 percent of transitional parity.

An average price support of \$1.25 was offered to noncooperating farmers in the commercial area. This amounted to 71.8 percent of transitional parity.

The final rate to cooperators remained \$1.50 but by fall it represented 84.3 percent of parity.

#### NONCOMMERCIAL SUPPORTS

The final 1956 rate to growers in the noncommercial corn areas was also jacked up—to \$1.24. The 1956 act provided that noncommercial areas must get at least 82½ percent of the rate to cooperators as calculated on a national basis. Previously, the noncommercial area rate was 75 percent of the commercial area rate. The new language lasted for only two crops, 1956 and 1957.

A referendum of corn producers in the commercial area was provided by the 1956 act to determine whether they favored the old acreage allotment and price support program or a soil-bank corn base of 51 million acres. Under the

latter plan, a grower could get support with 15 percent of his acres in the soil bank. Supports were to be at the level the Secretary determined would assist growers in marketing corn in normal channels of trade without encouraging uneconomic production of corn.

SECRETARY'S PLAN VOTED DOWN

Secretary Benson announced in November that the support price under his plan would be \$1.31 a bushel, if it carried. If it did not carry, the minimum support to growers in the commercial area would be \$1.36 a bushel. No assurance was given that price supports would be available to noncooperators.

The Secretary's plan failed to receive the necessary majority.

In 1957, the Secretary announced that support to cooperators in the commercial area would be \$1.40 a bushel—parity had increased enough to raise it 4 cents—and support to noncooperators in the commercial area was to be \$1.10. Corn in the noncommercial area would be supported at \$1.27. These rates remained for that season.

SUPPORT NONCOMMERCIAL, NONCOMPLIANCE

In the spring of 1958, Secretary Benson announced the minimum 1958 support at \$1.36 a bushel to compliers in the commercial area. That fall he announced that the support would be made available for the third successive year on noncompliance corn in the commercial area at an average rate of \$1.06 a bushel. Support in the noncommercial area went back to the old level based on 75 percent of the commercial area rate.

The act of 1958 set the pattern for 1959 and 1960. A referendum was scheduled for December to give commercial farmers a choice between the old program or elimination of the commercial area and allotments and price support at 90 percent of the average price received during the previous 3 years. Congress insisted on a minimum support of 65 percent.

SUPPORT HITS MINIMUM

This time the referendum carried. Support was \$1.12 a bushel to all producers. This was 90 percent of the previous 3-year average price.

In January 1960 the Secretary announced corn support for this year at \$1.06 a bushel. This is the minimum—65 percent of parity.

What is the result? Corn production climbed to 3.8 billion bushels in 1958 and then to 4.3 billion bushels in 1959, and another 5- to 10-percent increase for this year.

SUPPORT DOWN; PRODUCTION UP

With reasonable supports and allotments removed the 21-percent increase in corn production could have been anticipated by the Secretary if he had reviewed past experience. Following is a table showing the level of price support and the level of production in recent years:

TABLE 1.—Support price on corn, corn production, 1953-59

Crop year	Compliance		Corn production  Thousand bushels
	Support price	Percent support price is of parity	
1953.....	\$1.60	90	3,209,896
1954.....	1.62	90	3,057,891
1955.....	1.58	87	3,229,743
1956.....	1.50	84	3,455,253
1957.....	1.40	77	3,422,331
1958.....	1.36	77	3,800,863
1959.....	1.12	(1)	4,361,170

<sup>1</sup> 90 percent of \$1.25, average price received by farmers in calendar year, 1956-58.

Source: Hearings, Department of Agriculture appropriations bill, 1961, pt. 3, pp. 193, 313.

The end result of the administration's determined effort to lower supports on corn and corn prices is a growing accumulation of corn supplies. This causes yet other serious problems which I propose to discuss. The carryover stocks are expensive to store and hang as a constant threat over the livestock market. In addition, the farmer scrambling to save himself from total collapse is diverting lands from conservation uses in order to obtain the production he needs for subsistence.

At the end of the 1951-52 marketing year, the corn carryover was 486 million bushels. The carryover at the end of the 1959-60 marketing year is expected to be 2 billion bushels.

CARRYOVER PILES UP

Except for oats, the other grains show a similar trend but nowhere is the increase in carryover more dramatic than it is in the case of corn.

TABLE 3.—Indicated surplus in carryover stocks for 1960

[In millions of bushels]

Commodity	Estimated supply—disposition, 1959-60						Desirable carryover <sup>1</sup>	Surplus carryover in 1960 <sup>1</sup>	
	Beginning stocks, 1959	Production	Total supplies (including imports)	Utilization, 1959-60					Ending stocks, 1960
				Domestic	Exports	Total			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Wheat.....	1,279	1,128	2,415	625	465	1,090	1,325	500	825
Corn.....	1,530	4,361	5,892	3,702	240	3,942	1,950	800	1,150
Grain sorghums.....	510	579	1,090	405	110	515	675	50	525
Barley.....	195	420	635	360	115	475	160	100	60
Soybeans.....	62	538	600	435	125	560	40	40	-----
Oats.....	368	1,074	1,445	1,208	37	1,245	200	200	-----
Rye.....	13	21	38	24	5	29	9	5	4
Flaxseed.....	15	22	37	26	7	33	4	5	-1

<sup>1</sup> There are no official figures for desirable carryover or surplus carryover stocks. However, under existing conditions at home and abroad, desirable carryover stocks should be approximately in line with the amounts shown here.

Source: Hearings, Department of Agriculture appropriation bill, 1961, pt. 3, p. 753.

The following table compares the carryover of specified grains for the marketing years 1951-52, 1952-53, and 1959-60:

TABLE 2.—Carryover of specified agricultural commodities at the end of the 1951-52 and 1952-53 marketing years and estimated carryover at the end of the 1959-60 marketing year

Commodity	Date of carry-over	[In millions]		
		Carry-over at end of 1951-52	Estimated carry-over at end of 1952-53	Estimated carry-over at end of 1959-60 <sup>1</sup>
Wheat.....bushels.....	July 1	256	560	1,350
Corn.....do.....	Oct. 1	486	700	2,000
Rye.....do.....	July 1	3.9	4	10
Oats.....do.....do.....	.....do.....	283	225	200
Barley.....do.....do.....	.....do.....	73	50	160

<sup>1</sup> Estimated carryover at the end of 1959-60 marketing year is based partly on expected disappearance and exports for the remainder of the marketing season. The carryover actually realized at the end of the current season may vary moderately from these estimates depending on trends in consumption and exports during the rest of the season.

Source: Hearings, Department of Agriculture appropriation bill, 1961, pt. 3, p. 280.

Corn and feed grains today make up the No. 1 agricultural problem of this country and we have not yet felt its full force. The brunt of the storage problem will be delayed 2 years and more because much of the corn will be held on farms under ever-normal-granary loans. These are loans made on the current year's crop and include extensions of loans made on the previous year's crop.

Resale programs for price-support loans on 1959-crop farm-stored grains have been announced on corn, barley, wheat, and grain sorghums. In addition, price-support resale loans already in effect on the 1958 grain sorghums, wheat, corn, barley and oats, 1957 wheat and corn, and 1956 corn can be extended by producers for another year.

CARRYOVER BECOMES SURPLUS

From past experience, we know that reasonable stockpiles are necessary both from the standpoint of stabilization and emergency situations. We are reaching the point, however, that some of the carryover is actual surplus production. It is this production which hangs as a constant threat over the market. The following table describes the current situation both in terms of desirable carryover and surplus carryover:

The increase in Commodity Credit stocks as a result of the increasing carryover inevitably results in an increase in storage costs. These, again, are costs charged to the American farmer in al-

most every discussion of the subject but from which he receives little direct benefit.

## STORAGE COSTS MOUNT

For example, the July 1, 1959, corn inventory of 1,043,676,000 bushels resulted

in a storage cost of \$133,541,000 for fiscal year 1959. The following table shows the inventory for each year and the cost of storage:

TABLE 4

Quantity of price-support corn in inventory at beginning of fiscal year and total storage costs recorded during fiscal years 1951 through 1955

[All figures in thousands]

Commodity	Unit of measure	Inventory July 1, 1950	Storage cost fiscal year 1951	Inventory July 1, 1951	Storage cost fiscal year 1952	Inventory July 1, 1952	Storage cost fiscal year 1953	Inventory July 1, 1953	Storage cost fiscal year 1954	Inventory July 1, 1954	Storage cost fiscal year 1955	Inventory July 1, 1955
Corn	Bushel	332,460	\$30,577	413,423	\$28,297	313,895	\$19,584	228,029	\$44,284	364,939	\$53,626	580,724

Quantity of price support corn in inventory at beginning and end of fiscal year and total storage costs recorded during fiscal years 1956 through 1959

[All figures in thousands]

Commodity	Unit of measure	Inventory, July 1, 1955	Storage cost, fiscal year 1956	Inventory, July 1, 1956	Storage cost, fiscal year 1957	Inventory, July 1, 1957	Storage cost, fiscal year 1958	Inventory, July 1, 1958	Storage cost, fiscal year 1959	Inventory, July 1, 1959
Corn	Bushel	580,724	\$71,532	702,121	\$116,659	803,256	\$139,978	1,028,032	\$133,541	1,043,676

Source: Hearings, Department of Agriculture appropriations bill, 1961, pt. 3, pp. 484, 486.

## CORN RATES CLIMB

The tremendous increase in costs is not accounted for solely by the great increase in inventories. The rate paid per bushel has also increased steadily under the storage agreements. Increased costs of labor and material have undoubtedly attributed to the increase. The following table shows the change in rates for corn, which increased from 13.25 cents per bushel in 1952 to 18.89 cents in 1959:

TABLE 5.—Annual storage rates paid per bushel of corn in commercial storage

Year:	Rate
July 1, 1951, to May 31, 1952	\$.1325
June 1-30, 1952	.1590
July 1, 1952, to June 30, 1953	.1590
July 1, 1953, to May 31, 1954	.1050
June 1-30, 1954	.1824
July 1, 1954, to June 30, 1955	.1824
July 1, 1955, to May 31, 1956	.1824
June 1, 1956, to June 30, 1957	.1889
July 1, 1957, to June 30, 1958	.1889
July 1, 1958, to Dec. 31, 1959	.1889

Source: Department of Agriculture appropriations bill hearings, 1961, pt. 3, p. 377.

Overall storage and handling costs for all commodities increased from \$73.3 million in fiscal year 1952 to \$481.7 million in fiscal year 1959. It is appropriate to note at this point that net income to the farmer dropped 24 percent during the same period. Estimated storage charges for fiscal year 1960 are \$612 million and they are expected to be over \$700 million for 1961 unless something is done to correct the situation.

As I have said, increased costs have undoubtedly made some increases necessary. Our subcommittee has watched developments closely, however, and there are questionable practices which have contributed to this situation.

## EXAMPLES OF WASTE

In 1955, for example, over 16 million bushels of corn were moved from the

Midwest to the west coast at a cost to the Government of over \$8 million, even though vacant space remained at the locations from which it was shipped.

In other instances, we learned that storage charges paid to some warehouses from 1957 to 1959 were sufficiently high to allow operators to recover their investment in buildings and equipment in 2 years.

In some cases usable Government bins were leased by Commodity Credit Corporation to private persons and were rented for storage of Government-owned grain.

## INEFFICIENCY CHARGED TO FARMER

No one will condone such practices as the "efficient and effective" conduct of business which is required by the charter of the Commodity Credit Corporation.

Farmers themselves are the first to suffer from costly and ineffective programs which only create new problems without solving those already at hand.

The problem has meaning for a State like mine, Minnesota, in which farmers receive 74.5 percent of their income from livestock and livestock products and 25.5 percent from crops. Minnesota farmers are familiar with the agricultural adage that cheap feed means cheap livestock. This has been hammered home to them by experience.

## STOCKS HANG OVER MARKET

Farmers who depend upon livestock and livestock products as a major source of income have a right to be uneasy about the mounting stocks of feed grains. Those who produce cattle, hogs, dairy products, and eggs may well be concerned if such stocks can be made available at any moment to others who could convert them into livestock and livestock products. In the past 2 years we have seen the warning signs in the violent fluctuations in feed prices because of these available feed stocks.

The following table relates corn productions and the number of hogs raised from 1952 through 1959:

TABLE 6.—Corn production, number of pigs raised, 1952-59

Year	Corn production	Pigs raised
	Thousand bushels	Thousand head
1952	3,291,994	88,829
1953	3,209,896	77,914
1954	3,057,891	86,830
1955	3,229,743	95,719
1956	3,455,283	89,572
1957	3,422,331	87,960
1958	3,800,863	94,499
1959	4,361,170	101,636

Source: Hearings, Department of Agriculture appropriations bill, 1961, pt. 3, p. 313.

What this means to agriculture in dollars and cents can readily be seen in the average prices received by farmers for these products. On November 1, 1952, the average price received for corn was \$1.49. By January 15, 1960, it had dropped to 98 cents a bushel.

## HOG PRICES DROP

Farmers received an average of \$17.65 per hundredweight for hogs on November 1, 1952. The average price per hundredweight on January 15, 1960, was \$12.10.

The same pattern is repeated for other feed grains, as well as for most of the commodities sold by farmers. This is evidence enough that the tremendous expenditures of this administration on what it calls farm programs have only contributed to one failure after another. Farmers may well question the motives of those who charge them with such great costs from which they benefit so little.

## FEED PRICES STILL DECLINING

That lower livestock and poultry prices tend to further depress grain prices is evident from the recent issue of the

Feed Situation, a bimonthly publication of the Agricultural Marketing Service. The April 1960 report says:

Big feed grain supplies, lower average prices for livestock and poultry, and reduced demand for commercially prepared feeds, especially poultry and hog feeds, have been bearish factors in the market. Feed grain prices have made less than their normal seasonal rise since last fall. In mid-March the index of prices received by farmers for feed grains was 4 percent below a year earlier. The index of wholesale prices of high-protein feed averaged 8 percent lower in March this year than last.

MANAGEMENT, CONSERVATION SUFFER

The consequences do not end here. When more production is needed to maintain a bare subsistence income because of lower prices, both farm management and soil conservation suffer.

Some will say we had the soil bank with its acreage reserve and conservation reserve. This, they try to tell us, not only controlled production but conserved soil. My answer is that you do not bring production into balance with demand by setting aside all of the marginal land in the country. Very little high productive land has gone into the soil bank as it was administered. In my own State of Minnesota, we planted more acres of corn when the acreage reserve was in operation than we did without it.

Corn acreage planted jumped from 74,513,000 acres in 1958 to 85,530,000 acres in 1959. In Minnesota, during this period, alfalfa acreage dropped 25,000 acres and all hay planted was down almost 86,000 acres. The harvested acreage of all hay in the United States dropped from 75,360,000 acres in 1954 to 69,404,000 acres in 1959. During the corresponding period, all hay in Minnesota dropped by 500,000 acres.

HAY ACREAGE DECLINES

The following table, supplied in our hearings at my request, tells its own story about the trend in Minnesota and the Nation in the first year the new program on corn was in effect.

TABLE 7  
(In thousands)

	1958		1959	
	Acreage (acres)	Production (tons)	Acreage (acres)	Production (tons)
Minnesota:				
Alfalfa and alfalfa mix for hay	2,253	4,957	2,230	4,906
All hay	3,505	6,063	3,382	6,403
United States:				
Alfalfa and alfalfa mix for hay	29,864	67,247	28,740	64,739
All hay	73,004	121,819	69,404	112,764

Source: Crop production, 1959 annual summary (AMES).

Hearings, Department of Agriculture appropriations bill, 1961, pt. 3, p. 547.

There is no intent to imply that the result is already disastrous. An unfortunate trend has been established, however, and it bears watching by all who are concerned in promoting sound conservation practices. It is another trend reversed and we can only hope it does not have the same meaning we have witnessed in some of the other reversals we have examined today.

INCOME ESSENTIAL TO CONSERVATION

When farmers are driven to abandon soil and water conservation practices in a desperate effort to preserve a bare level of existence, the whole Nation will inevitably suffer. Technology has provided the tools of conservation but a reasonable and stable income is one of the essentials to proper use of these tools.

Corn is a ready example of what is happening to one of our most important crops. For the past decade the value of our corn production has been at or above the \$4 billion mark. It is grown on more acres than any other crop with the exception of pasture land.

CORN IS A MAJOR CROP

Corn produces more than two-thirds of a hog, more than one-third of a chicken. It produces 13 percent of a beef steer and about 8 percent of a quart of milk. The Department of Agriculture

experts have told us that 1,000 bushels of corn is equivalent to enough meat, milk, and eggs to supply one person with food energy for 20 years.

The basic uses of corn are food for man and feed for livestock but it has hundreds of other uses. Products made from corn are in the books we read, the paper we write on, the rugs on our floor. Corn is used in the mines, in the steel plants, in the chemical factories, in explosives, in textiles, and in the airplanes that fly overhead.

First and foremost, however, corn remains a basic food crop and what happens to it and the other feed grains has consequence for all of American agriculture.

CORN FAILURE IS SYMBOL

What has happened to corn in the agricultural economy is just one example of the Eisenhower administration's lack of understanding and cynical disregard of farm facts. How else could it fail to profit from the experience of the Hoover administration's Farm Board?

The corn program approved and adopted by Secretary Benson is as inept and wasteful as anything we have witnessed since the failure of the Farm Board. What causes us most concern is that the worst is yet to come. If the Nation's agriculture—livestock, poultry, and crop producers—can continue to operate under this legacy of chaos it will indeed be a miracle.

THIS IS THE RECORD

The sorry record of the consequences these policies have had for all agriculture does not need to be discussed here in all of its dismal and discouraging detail. The Secretary of Agriculture himself has done this for us in a table which he supplied for the record of our hearings. It is a comparison of the average prices received by farmers in the United States on November 1, 1952, on January 15, 1953, and January 15, 1960. Mr. Chairman, sad to say, it speaks for itself:

TABLE 8.—Average prices received by farmers for farm products, United States

Commodity and unit	Estimated, Nov. 1, 1952 <sup>1</sup>	Estimated, Jan. 15, 1953	Estimated, Jan. 15, 1960	Commodity and unit	Estimated, Nov. 1, 1952 <sup>1</sup>	Estimated, Jan. 15, 1953	Estimated, Jan. 15, 1960
	Wheat, per bushel	\$2.10	\$2.10		\$1.78	Oranges, per box <sup>2</sup>	\$1.50
Rye, per bushel	1.76	1.65	.925	Lemons, per box <sup>2</sup>	1.92	2.86	1.36
Rice (rough), per hundredweight	5.92	6.43	4.77	Hogs, per hundredweight	17.65	17.80	12.10
Corn, per bushel	1.49	1.48	.979	Beef cattle, per hundredweight	21.65	19.70	20.30
Oats, per bushel	.836	.821	.685	Veal calves, per hundredweight	23.70	23.40	24.00
Barley, per bushel	1.42	1.37	.848	Sheep, per hundredweight	7.49	8.40	5.74
Sorghum grain, per hundredweight	2.54	2.74	1.53	Lambs, per hundredweight	21.55	20.30	17.80
Hay, all baled, per ton	25.30	26.40	22.20	Butterfat, in cream, per pound	.729	.683	.597
Cotton, American Upland, per pound	.3541	.2973	.233	Milk, retail, per quart <sup>3</sup>	5.30	4.89	4.35
Cotton, American-Egyptian, per pound	1.08	1.00	.531	All chickens, live, per pound	.213	.211	.217
Cottonseed, per ton	70.20	65.30	39.60	Turkeys, live, per pound	.253	.265	.165
Soybean, per bushel	2.71	2.69	2.01	Eggs, per dozen	.333	.336	.282
Peanuts, per pound	.111	.100	.101	Wool, per pound	.511	.458	.295
Flaxseed, per bushel	3.74	3.70	31.2		.501	.510	.425
Potatoes, per bushel	2.14	2.05	2.10	INDEX NUMBERS (1910-14=100)			
Sweetpotatoes, per bushel	3.02	3.05	3.51	Prices received from farmers	280	267	231
Beans, dry edible, per hundredweight	8.48	8.46	7.50	Parity index	282	282	299
Peas, dry field, per hundredweight	5.78	6.09	3.92	Parity ratio	99	95	77
Apples, per bushel	2.77	3.21	2.14				
Grapefruit, per box <sup>2</sup>	1.01	.83	.95				

<sup>1</sup> Average of prices received Oct. 15 and Nov. 15 except grapefruit, which is Oct. 15.  
<sup>2</sup> Equivalent on-tree for all methods of sale.  
<sup>3</sup> Estimated average price for the month for all milk sold at wholesale to plants and dealers.  
<sup>4</sup> Preliminary.

<sup>5</sup> Sold by farmers directly to consumers.  
 Source: Agricultural Marketing Service, Mar. 28, 1960.  
 Hearings, Department of Agriculture appropriations hearings, 1961, pt. 3, p. 279.

If ever there was a time for a change, it is now. Continuation of the present policies must ultimately force the American farmer into a tightly regulated and regimented system of agriculture or into economic peonage. This has been the fate of a depressed agriculture in almost every civilized nation in the world. The consequences will not be suffered only by those who till the soil but by the entire Nation. When farmers are forced by a cost-price squeeze to destroy their soil resources, the entire Nation and its future generations are impoverished.

#### AGRICULTURE IS BASIC INDUSTRY

Despite the disregard in which it is held by this administration, agriculture is still the most important single industry in the United States, the major source of our food and raw materials, and one of industry's largest customers.

Our Subcommittee on Agricultural Appropriations has been fighting alternately a delaying and then a holding action against the onslaught of administrative power. The bill before you today represents another battle in this cold war. We have tried to meet the needs of modern agriculture by writing workable laws and providing the funds to administer them. Unfortunately, we have not always won.

#### SUBCOMMITTEE EFFORTS OPPOSED

What comfort we have we take in consideration of how much worse things might have been. We have tried to preserve some semblance of working programs even when overwhelmed by maladministration and deliberate contempt for the intent of Congress. I say to you in all sincerity, I wish we had been more successful. I am sorry to report that some of the funds we have provided have been squandered to the detriment of the farmer and in total disregard of our purposes.

We can no longer afford the luxury of do-nothingism and the extravagance of hesitation and confusion. Not only the welfare of our basic industry is at stake. It involves the welfare of every man, woman, and child who eat their daily bread in the secure knowledge that our soil, in the providence of God, contains untold wealth if we are both wise and good in its use.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, I would like to say to the committee that at the bottom of page 17, "Benefits to General Public," you begin to get into a question which has interested me very much. I picked up the paper the other day when this appropriations action was announced, and the headlines said, "\$4 Billion Appropriated for Agriculture."

It seems to me that we too often leave the impression that every dollar spent within the Agriculture Department is spent for the benefit of the farmer. In this section you have begun to get into the question and I was hoping your committee could set forth the total amount of what might be really charged to agriculture and what to the general public, so that there will be a better understanding on the part of our populace

that agriculture as such does not reap the benefit of many of the dollars appropriated in the Department of Agriculture bill.

Mr. WHITTEN. I thank the gentleman for his statement. I am afraid much of the press is directed to the 88 percent of the people who are non-farmers.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 15 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I take this time to make some observations and to perhaps have a little colloquy with my chairman.

It has been a pleasure to serve with the gentleman from Mississippi [Mr. WHITTEN], and the other members of this subcommittee, and I want to at this time particularly pay my respects to two of our hard-working clerks, Mr. Pope and Mr. Gunnels.

The responsibilities of the Appropriations Committee are not in themselves legislative, but we do have a responsibility to point out to the House in our report on these bills the need for amending present legislation or even the need for new legislation.

Out my way we have no Government storage at all. Up until a sorry incident of about 6 weeks ago we had a very fine record as to honesty and good storage practices.

I would like to ask the chairman a question at this point. In our dealing with this storage problem, it was not the intention of the subcommittee to handicap or in any way criticize our old line storage people, such as cooperatives and that sort of thing.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield, certainly we did not. However, we did recognize the total cost and that there should be some attention given to holding the cost in line. I think the gentleman would agree with me, whether it was an old line warehouse or not, that the ideal situation would be to keep the warehouse full the year around, rather than on a 30-day basis. We tried to limit our directives to holding the total cost down. I think, however, the big warehouse might have definite means of storing grain at a flat rate per month, and that is the sort of thing we directed our attention to.

Mr. HORAN. I do not want to belabor the point too much. Of course, in a period of 3 years we will have paid out in excess of \$1¼ billion of American money for storage of surplus commodities, and that certainly dictates to me the need for remedial legislation, and I hope that that is the thing that we have pointed out this afternoon.

Now, on page 216 of part II of our hearings, we have a complete report covering many pages of the operations under Public Law 480. And, on page 19 of the committee report here we have a considerable discussion of the operations under Public Law 480, and if the chairman will respond, I would like to get his reaction to what is intended. I was referring to the report on page 19

where it says, "Everybody but the farmer benefits from Public Law 480." I would like to have your comments on that at this time.

Mr. WHITTEN. May I say to the gentleman that I worked rather hard on this report. I would not say that there is no benefit to the farmer. What we are trying to say is that everybody else profits to a greater degree. Really, with what we are now giving away virtually under Public Law 480, if production were pulled back and the farmer's price related in some degree to his cost, the farmer would be a great deal better off. If, what we are now giving away under Public Law 480, we were selling so that it would follow normal channels and become available to people, it would be much less costly. As the gentleman well knows, most all the Public Law 480 sales are made to foreign governments and the governments then in turn sells them for what the traffic will bear. For instance, I know of one country where they bought the commodities and in turn sold them and reaped a tremendous profit.

Mr. HORAN. In no way did you intend to close the doors of Public Law 480 in the export field?

Mr. WHITTEN. It is beyond our control. They have the authority to dispose of these commodities, and there is nothing we can do about it except sign the check and complain. So, this is our complaint.

Mr. HORAN. We have a pretty good export market as reflected in the hearings. Our exports of agricultural commodities for the present year are expected to be \$4.2 billion, of which \$2.9 billion are exported for dollars. But where Public Law 480 is important, it is very important to those of us who have wheat districts, because under Public Law 480 about 64 percent of our wheat is exported. Thirty-three percent of our cotton, 49 percent of our rice and 73 percent of our cottonseed and soybean oil.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman.

Mr. WHITTEN. May I say that, as long as we have our production plant built up the way it is, and as long as we have nothing except existing laws, I think the American farmer if we did not have this outlet would be in a terrible situation. I do think that we need to point out that the maximum benefits go elsewhere and that somewhere along the line we owe it to ourselves and the farmer to pull our production in line, so that the farmer will not be dependent upon this outlet, and so that the Treasury will not be financing this outlet. In other words, we need to recognize that this is an emergency program and is not a long-range cure of the problem.

Mr. HORAN. Mr. Chairman, I want to say to the committee that last Friday the full Committee on Appropriations took what I think is a good step. They appointed a special subcommittee to study the use of these foreign currencies that are generated under Public Law 480. Our subcommittee feels that one of the primary reasons for having Public

Law 480 was the market development work and I hope that that is protected.

On page 218 of part 2 of the hearings you will see a list of the proposals to spend these foreign currencies which are resting comfortably in our Treasury now, and more or less the whole Committee on Appropriations has denied these funds except in their use for agricultural market development work.

Mr. Chairman, there is one other matter I would like to discuss here. There has been some discussion about the pesticide investigation. We had a colloquy with the chairman of the subcommittee when he spoke, on that subject. Of course, a lot of it was generated because of the cranberry fiasco last fall. It seemed that practically everybody who came before our subcommittee used that as an argument for justification so we did not go along entirely with the budget request, because we felt that some coordination should exist between Food and Drug, Public Health and the Department of Agriculture, that each should know what the other is doing.

The committee felt it was necessary to cut this request for approximately \$1,500,000 of additional funds to carry on research to avoid pesticide residues. The committee recommends an increase of \$250,000. I am sure that every member of the committee agrees that residues from pesticides and other chemicals used in agriculture are one of the greatest difficulties facing American agriculture and American consumers.

Production of commercial quantities of many of our most popular fruits and vegetables would be impossible without pesticides. The apple crop would be almost a total loss, and the same would be true for peaches. Potatoes and tomatoes would be cut drastically. The small quantities of acceptable fruits and vegetables would sell at prices way out of reach of the average American.

We might as well face the facts about the need for chemicals in our present state of knowledge concerning insects, diseases, and other pests. We also have to face the fact that it is almost impossible to control these pests with chemicals without leaving some residues that should be avoided. Recent techniques are able to detect traces of residues that were not even suspected a few years ago. The only answer to this situation is more research.

In the Agricultural Research Service today we have some of the world's most able scientists. They have already demonstrated their ability to think up new ways to control pests without chemicals, as illustrated by the eradication of the screw worm fly in Florida. They now propose a hard-hitting research program to make fuller use of biological controls, insect sterility, and new materials such as attractants, repellants, and hormones.

This new research would not take the place of that done by the chemical companies. They would continue their work of development and testing. The Department should direct its energies to finding new ways to control insects without chemicals or by developing new chemicals that do not leave harmful residues.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman.

Mr. LIPSCOMB. I take this time, Mr. Chairman, to ask a question of the chairman of the subcommittee. On page 31 of the report, under Foreign Agricultural Service, there is a paragraph which reads as follows:

The increase includes an additional \$800,000 to cover by direct appropriation for the first time certain attaché expenses paid in prior years from foreign currency allocations;

Does this mean that the United States Government is now going to spend dollars for certain attaché expenses that in the past have been paid for out of foreign currencies?

Mr. WHITTEN. Only to the degree that circumstances have made it necessary. In other words, heretofore we have had foreign currencies available in a number of Western European countries and elsewhere, in countries which no longer qualify for Public Law 480 commodities which generate these currencies. So we have directed this agency to use foreign currencies to the fullest extent possible. But in some of those cases, countries which were formerly financed that way do not have the currencies available. So we anticipate that out of the \$800,000 they will use foreign currencies to the fullest extent possible. But we did not want the absence of such currencies to cause us to close up attaché posts in areas where it has become necessary to finance them with dollars.

Mr. LIPSCOMB. Is it possible to pinpoint the areas or the countries where the additional \$800,000 is going to be spent?

Mr. WHITTEN. The testimony was that they could not. One of our problems is, where there is a limited amount of currency, frequently our Government gives priority to embassies and regular operations there, and perhaps the military, so agriculture does not know just where it will stand in the list of those that are seeking foreign currencies in those countries where it is very limited in the way of priority. They could not tell us. But they have specific instructions to use foreign currencies where available.

Mr. LIPSCOMB. It is the intention of the committee that where foreign currencies are owed or owned by the Treasury of the United States the agricultural observers should use American dollars to purchase foreign currencies?

Mr. WHITTEN. They all belong to the Government. The Foreign Agricultural Service would be buying them from the Treasury and reimbursing the Commodity Credit Corporation. So the money in that instance would go to one arm of the Government and the currency be owned by the other. This happens to be in the same department of Government and would be a bookkeeping transaction.

Mr. BOW. Mr. Chairman, would the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. BOW. Would these have to be 480 funds or could they not be other currencies, foreign currencies generally?

Mr. WHITTEN. We have been dealing with 480 funds and inadvertently I used that terminology. We have other foreign currencies, too.

Mr. BOW. It would refer to all foreign currencies?

Mr. WHITTEN. Yes. I had reference to that. I happened inadvertently to use the term "480 funds."

Mr. HORAN. Mr. Chairman, I ask unanimous consent that the gentleman from Nebraska [Mr. WEAVER] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. WEAVER. Mr. Chairman, in discussing this bill briefly I would like to commend the gentlemen of the Subcommittee on Agricultural Department Appropriations for a very fine job, indeed. They have attacked a very complex job with vigor and foresight and have on the whole accomplished a great deal in this bill.

I would like to limit my comments to two specific phases of this measure which are of extreme importance not only nationally but to my own congressional district as well. I would like to mention briefly the watershed conservancy program and the hot lunch program for the 39 million schoolchildren of our Nation.

Watershed conservancy is, in my opinion, one of the most important developments in recent years in the field of positive planning for the orderly development of our natural resources and the protection of our farmlands, our small towns and, in some cases, our bigger cities.

This vital work is aimed at keeping the water back in the upper valleys, the small streams and creeks of the Nation, holding it back during the heavy period of runoff so that these waters cannot swell the bigger streams and rivers and add to the flood damage below. It is geared, too, to the holding back of water on the land where it can be used as the dry spells of the summer make it necessary.

In my own State of Nebraska this year we suffered disastrous floods. It is estimated that roads and highways and bridges were damaged in the amount of over \$3 million.

In one small area of Gage County in southern Nebraska one major source of runoff—Big Indian Creek—did damage to county roads and bridges alone estimated at \$100,000. This particular area has already been organized into a watershed conservancy district and plans are under way for proper development of conservation projects. The amount of damage done in the spring of 1960 would have paid for the operation costs of these projects for a number of years.

By contrast, the watershed next to Big Indian Creek has already started construction work and is about 80 percent completed. The streams in this area did practically no damage this year. They were, indeed, very well behaved.

We have these classic examples of what can be done, the amount of money that can be saved, in every part of the Midwest. I hope that this program can eventually be spread to include every part of the Nation.

The present bill will be a major step in achieving that ambition. It provides a total of \$32 million for this work, an increase of \$9,250,000 over last year's appropriations and an increase of some \$4,250,000 over this year's budget estimates.

Mr. Chairman, this kind of increase cannot be considered a waste of tax dollars; it is, instead, a wise investment of public funds in the future of America. It is estimated that each year flood damage costs the American people over \$1 billion. Of this amount, some \$500 million or more is in the form of damage to farmlands in the upper valleys, the watershed areas. If, by making an investment of \$32 million we can cut down this extravagant waste of soil and other resources, we are making a major investment in America.

Every ounce of this valuable soil will someday be needed. We are a nation presently rich in natural resources, but every economist and every forecaster points to the day which is not too far distant when the United States will be straining its reserves to provide enough food for its growing population. This valuable asset must be preserved if we are to face these critical times of the future with confidence. I am highly gratified that the committee has seen fit to take the necessary steps.

Concerning the school lunch program, I feel that it, too, is an investment in the future. It is an effort to help develop our most important of all resources, the youngsters of the Nation.

I have heard many times and in many places the stories of benefits which have accrued to the Nation through this hot lunch program. I believe in it; I have always believed in it.

There are some 39 million school-age children in the United States today. Approximately 30 percent of these children benefit directly from the hot lunch program. For many of these youngsters it is the only decent meal they get during the course of the day. It is the only effort at balancing the diet of many thousands of them.

The present bill provides an outright appropriation of \$110 million for this program. In addition, it provides for transfer of \$45 million from section 32 funds to provide meats and so forth for the program. This makes a minimum of \$155 million for the hot lunch program and it is my sincere hope that this will be augmented during the course of the year by transfer of other commodities to the program from our surplus stocks.

Mr. Chairman, both of these programs represent increases over the recommendations contained in the President's budget. I do not consider either of them to be a waste of tax dollars, or a depletion of the Nation's wealth. I consider both of them to be rather a wise and sound investment by this Congress in the future of America. I can and do most heartily recommend both of these increases to my colleagues on both sides of the aisle.

It is my hope that they will be retained in the bill, as is, upon final passage.

Mr. ANDERSEN of Minnesota. Mr. Chairman I yield 10 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I come to the well again in this session still the low man on the totem pole so far as the composition of this subcommittee is concerned. It is no secret that during this year and the past year I have been at odds with members of the majority and sometimes even to some degree with members on my own side. I guess this stems from the fact that I try as best I can to represent the thinking of the majority of the farmers in my congressional district back in the heart of Illinois. The general philosophy of those farmers is that eventually they would like to get back to a free system. They do not like controls and they do not like allotments and they do not like Government regimentation of any sort. They want to be free to be on their own to chart their own course. So my whole philosophy reflects that thinking which is prevalent among the farmers of my district.

I am sorry that last Friday it was necessary for me to be out at St. Louis University on a prior commitment when the subcommittee was reporting to the full committee. The report of the committee was airmailed special to me and I read it on the plane coming back today.

It is in a sense the chairman's handiwork, and this is his privilege as chairman of our subcommittee. He knows that many times I disagree with him, always in good faith. It seems to me that the first 20 pages of the report are pretty much a political speech. I suspect that if I spend 25 or 30 years here I could make my own political speech, if it becomes my pleasure to author a report at some future date.

Let me go over several of the items in the few minutes I have. We find on page 2, for instance, a discussion of the decline in farm income. Farm income has declined, but it compares with the period of time from 1932 to 1952, making no mention of course that in that time there was a serious depression and that as late as 1939 there were still 9 million unemployed. Then, of course, we had World War II and then a few postwar years following the war, and again another war, the Korean conflict. All that has a definite effect, I would say, on what farmers were getting for their commodities as against the peaceful years from 1953 to the present day.

On page 4, in talking about the programs that have been enacted through this administration by this Congress, and the item of \$25.8 billion of cost, \$8 billion coming from reduced price supports. Of course, there is no mention made of what the cost might have been had we had rigid 90-percent price supports. There is nothing in the record that would indicate if we had rigid 90-percent price supports what the cost might be. The \$8 billion could very well be double that amount with high rigid supports.

Then the soil bank program costing \$4.3 billion. I differed at times with the Department in the administration of the soil bank program. My own feel-

ing would be that Congress itself, since we are writing the laws, should have said "crop acres" or "productive acres" and not have left it up to the discretion of the farmer himself to put his creek bottom land in the soil bank or in the conservation reserve. It seems to me our responsibility here is—if we intend to put crop acres and good productive acres into the bank, we ought to say so in the law and if we do not say so, why should we criticize the people downtown when in this vast and massive program, they cannot keep on top of every single one of them?

Then on page 5, in talking about the reduced net income over a period of 7 years to the extent of 20 percent, we discount to a degree the decline in farm population which from 1950 to 1960 declined 23 percent from 7½ million to 5.8 million, and under the best predictions from the Department, we will find the farm population declining in the sixties another 12 percent.

It seems to me when we are talking about "farmers tending to increase their production as farm prices are reduced," we discount altogether the matter or the idea that a farmer regardless of what conditions prevail would not want to increase his farm production.

If we might move along to Public Law 480, and the criticism that has been leveled against the program, it seems to me that the Secretary and the Department ought to be commended for the amount of surplus commodities that we have been able to peddle overseas although I am concerned, having visited a number of foreign countries, at what is involved when we get paid not in dollars but rather in local currencies. I was glad when we were in Japan to find that one product which does sell in Japan for dollars is \$100 million worth of soybeans of which we produce so much in my area and in the entire State of Illinois. When I was in Thailand we were criticized, or our Government was criticized, because of the amount of grain we were sending to Indonesia. Why? Because the export of rice from Thailand to Indonesia was their second best source of revenue.

So it is not just a simple matter for the Secretary or our officials to peddle our surpluses. There are a number of complex problems to be considered. I think they ought to be commended for what they have been able to dispose of.

On page 10, there is discussed the Commodity Credit Corporation and suggestions to the extent that the board should be full-time employed individuals of the Department rather than simply those individuals in the Department who are in the capacity of Secretary or Under Secretary or Assistant Secretary and so on down the line.

I have some mixed emotions about this particular proposal although I am very mindful that here we have a corporation with such tremendous assets, it seems to me that just about full time has to be devoted to the business of administering the business of this vast Corporation. My mind is open on this particular suggestion. But I do not think the committee erred in opening it up for discussion.

On the matter of grain storage on page 11, I think we should be temperate in our criticism. When one says we should utilize Government storage when available, rather than private storage, what happens when the Government storage is in the State of Washington and the grain is in Ohio or Indiana or Pennsylvania? Do we pay the cost of freight from one coast to the other, just in order to get it into Government storage?

Mr. WHITTEN. I think the point the gentleman makes is a good one.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. AVERY. I think the gentleman was on the floor when I had a colloquy with the gentleman from New York [Mr. SANTANGELO] in respect to the storage matter. After I had concluded my remarks, I think the record was left in this position: That the Department of Agriculture had advised at least some Members of the House that Government-owned storage was costing only about 6 cents a bushel. I would like to propound a question to the gentleman from Mississippi [Mr. WHITTEN]. Has the Department of Agriculture ever furnished the committee that figure?

Mr. WHITTEN. I do not have any such information. They may have supplied it to some individual. I have not

had any such statement that I know of. I do not mean to be all inclusive, because there are about 8,000 employees in the Department, so what somebody may have told somebody else I do not know.

Mr. AVERY. Did I understand the gentleman to say that the committee itself had made some study of the cost of this storage?

Mr. WHITTEN. We have made about three investigations through the years.

Mr. AVERY. I mean recently.

Mr. WHITTEN. We had one this year.

Mr. AVERY. What did that reveal as to the cost of Government storage?

Mr. WHITTEN. Again I am sorry I cannot give the gentleman that information right offhand. If you leave it for 2 years it costs one amount. If you turn it over it costs another amount. So there is no set figure, but it did show that in some instances it would be much more economical, in my opinion.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. MICHEL] has expired.

Mr. WHITTEN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. AVERY. Mr. Chairman, will the gentleman yield again?

Mr. MICHEL. Glad to yield to my friend.

Mr. AVERY. Does not the gentleman from Mississippi concede that it is not according to correct practice to put into a committee report that the storage rates are excessive and issue a mandate that they should be reduced when he says he does not know what the cost is?

Mr. WHITTEN. There are not many places where the Secretary and I agree, but he said they were excessive and he cut them. We say we agreed with them. So that apparently we are in agreement. He said they were excessive and cut them.

Mr. AVERY. I am trying to find out what the committee finds.

Mr. WHITTEN. I hate to quote the press, but according to the press the Secretary said his own investigation had nothing to do with it. This is done from our own studies.

Mr. AVERY. All I am asking the gentleman is, can he tell us what the study showed as to the cost of Government storage?

Mr. WHITTEN. I am not giving the details because I do not have them. They were sufficient because the Department reduced the rates. We in our report urged them to reduce them and urged them to use the Government storage when they were more economical.

Mr. AVERY. I appreciate the gentleman yielding to me. I include the following chart:

Cost of handling grain—Expense per bushel, elevators Nos. 1 and 3

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Rated capacity.....	16,000	16,000	16,000	22,000	22,000	27,000	27,000	83,000	215,000	275,000	275,000	370,000	446,000
Bushels handled.....	424,877	312,667	301,119	337,161	534,246	396,837	248,999	609,765	427,199	403,134	311,883	700,470	598,913
Shrink.....	2,793	2,184	2,360	2,729	3,797	1,792	2,358	2,728	2,136	1,953	1,439	1,953	224
Operating expense:													
Salaries and labor.....	\$0.01566	\$0.02292	\$0.02754	\$0.03615	\$0.02820	\$0.03898	\$0.05649	\$0.03105	\$0.03574	\$0.04236	\$0.05559	\$0.03187	\$0.04682
Repairs and supplies.....	.00486	.00292	.00340	.00344	.00372	.00655	.00449	.01162	.01469	.01561	.01189	.01527	.02190
Utilities.....	.00176	.00302	.00284	.00221	.00421	.00549	.00678	.00480	.00667	.00874	.00955	.00693	.00565
Insurance.....	.00267	.00369	.00383	.00336	.00286	.00451	.00842	.00390	.00883	.00943	.01999	.00998	.01207
Taxes.....	.00162	.00241	.00231	.00167	.00191	.00191	.00327	.00129	.00196	.00304	.00392	.00468	.00779
Other expense.....	.00333	.00397	.00363	.00367	.00593	.00708	.01165	.00528	.00694	.01102	.01286	.01529	.02082
Shrink.....	.01315	.01033	.01175	.01403	.00880	.00903	.01894	.00895	.01000	.00981	.00934	.00492	.00159
Total operating expenses per bushel.....	.04305	.04926	.05530	.06453	.05563	.07355	.11004	.06689	.08483	.10001	.12314	.08895	.11674
Depreciation.....	.00382	.00561	.00761	.01117	.00781	.00946	.01637	.00579	.01415	.02167	.02988	.03781	.03546
Total expense per bushel.....	.04687	.05487	.06291	.07570	.06344	.08301	.12641	.07268	.09898	.12168	.15302	.12676	.15220

Mr. MICHEL. That is very well. I would say to the gentleman from Kansas that my own position would be of course that many times we need storage and we need it now. Who is to say that the Government could build storage more efficiently at the moment than some private industry? We have to pat them on the back for supplying the storage when they did, in times of critical need, and refrain from casting a blanket indictment against all when most have acted in good faith.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. Happy to yield.

Mr. BROOKS of Louisiana. I want to say I am thoroughly in accord with what the gentleman has had to say with reference to using available storage if it is located in the right areas. Recently, however, it came to my attention that the military was withdrawing from a certain plant which was suitable for storage purposes. I took the matter up with the CCC and suggested that it

might be available for grain storage. I have a letter in reply from them to the effect that public storage was not usable, that they wanted private storage even if it had to be constructed. I know the gentleman does not go along with that.

Mr. MICHEL. No; certainly not.

Mr. BROOKS of Louisiana. But certainly if public storage is available and can be adapted to the program it seems it seems to me it should be used.

Mr. MICHEL. The gentleman will agree that when public storage is available and suitable for the storage of grain it should be used, but there are a number of problems involved and factors that have to be taken into consideration, such as aeration and so forth.

Mr. BROOKS of Louisiana. But they should look into its adaptability to storage and use it if possible. They do not want public storage if it will cost a great deal to adapt public storage to the purposes indicated. I can understand that, but they should not take an arbitrary stand in the matter.

I say further to the gentleman I recently read an article to the effect that we were paying \$1 million a day for grain storage, and paying \$2 million a day for overall storage. If that is correct surely we should use public storage if it is adaptable for the purpose and properly located and would cost less than storage which has to be built by private enterprise for that particular purpose. The gentleman I am sure agrees with that.

Mr. MICHEL. Yes sir.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. BREEDING. I would like to commend the gentleman from Illinois for his stand on this matter and make the point that in our area of Kansas if it had not been for private enterprise creating grain storage we would not have had any, for there is not any public storage of any consequence available. I think a good deal of unjust criticism has been directed at the grain storage

people, saying they are riding the gravy train, and so forth, whereas if it had not been for them, if it had not been for private enterprise, we would not have had any storage in my State of Kansas; the farmers would not have had any place to store their grain.

Mr. MICHEL. I appreciate the gentleman's contribution.

If I might make another point it would be in the area of the conservation reserve program and ACP payments. Last year I offered a cutting amendment to the bill and I was soundly defeated by about 2 to 1 majority. This year, of course, there is no change in the complexion of the Congress and I do not know that my arguments would be any more persuasive this year than last. I still say, however, that in this bill there is no rhyme, nor sense, nor reason for the Federal Government's footing the bill on any farm for taking out hedgerows or tearing down stone fences and one thing and another, which is still the practice. When I was a boy on the farm we rooted out our own hedgerows on the farm with horses and a scraper. Many a harness and tugs were broken in this operation but I see no reason why people today cannot do the same thing on their own. If it is a matter of tearing down stone fences I do not see why we have to come to Washington to get Federal aid to tear down stone fences, but this is still a practice under the ACP program.

Mr. Chairman, in my remaining minute or two may I simply conclude by making my own little political speech in answer to the first 20 pages of our report and I would do by making these six points:

First. The Democrats bequeathed the Eisenhower administration an agricultural time bomb composed of obsolete, depression-bred, war-born farm laws. Despite endorsement of flexible supports for peacetime in platforms of both political parties, these old laws were continued until over \$7 billion worth of surplus had been accumulated in 1955.

Second. The administration has repeatedly urged Congress to pass reasonable farm legislation truly beneficial to farmers. Congress has been controlled 23 out of the last 27 years by the Democrats. Most of the time Congress has talked about the problem and, in the few instances where they have acted, they have only passed a few bills that would have been another dose of what made the patient ill in the first place.

Third. Experience proves that the price-fixing and acreage-control programs have not worked, but many Democrats prefer to ignore this fact. It appears they will either not admit to the facts or else prefer to perpetuate the problem and attempt to profit politically.

Fourth. Because of efficiency and hard work, the American farmer produces for himself and 25 others. Artificial price incentives established by excess Government interference have contributed toward a superabundance in some crops. Many Democrats exemplify the greatest surplus problem—the surplus of demagoguery—when they talk but do not act.

After years of attacking the administration proposals, only in recent weeks have a few Democrats come forth with a modification of the old discredited Brannan plan and the 1960 version is even more of an economic monstrosity which would impose unrealistic production cuts and slash national farm income while greatly reducing farm purchasing power.

Fifth. The Democrats for years, and regularly in campaign years, have wept for the plight of the small farmer while doing little to help him. The outmoded farm laws helped the big operators the most, who need it the least. The rural development program created by this administration and operating successfully in over 30 States is the first concerted effort to assist small, low-income farmers who need help the most.

Sixth. The Democrats compare farm prices during the Korean war period with farm prices during the 7 peacetime years of the Eisenhower administration. Actually per capita farm income has been at record high levels during this administration, exceeding even the war years. Instead of using the years 1949 or 1950, which were postwar years comparable to the last 7 years, they stress the 1951 and 1952 levels. American farmers and their sons want to drive tractors instead of tanks.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I ask unanimous consent that the remarks of the gentleman from Iowa [Mr. JENSEN] may be placed immediately following mine in general debate, so as to have them consecutive in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I ask unanimous consent that the gentleman from Iowa [Mr. HOEVEN] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HOEVEN. Mr. Chairman, the farm problem is just like the weather—we all talk about it but do nothing about it. There are many dedicated Members of Congress who are earnestly striving to find a solution to a most perplexing situation. I am one of them.

Everyone knows that agriculture is the soft spot in our national economy today. The farmer's income continues to go down while his operating expenses continue to rise. Hence, the American farmer is definitely in a price-cost squeeze. I am sure we all agree that the farmer is entitled to his share of the national wealth and productive capacity of this Nation. Our main problem and concern is to bring this about. We must all realize that we are presently passing through an agricultural revolution. Our farms are rapidly becoming completely mechanized and, as a result, farms are getting larger in order that farming may be a profitable business. We have more part-time farmers than ever before who

are compelled to go into industry to augment their income. I personally regret the passing of the so-called "family size farm" and the trend toward corporation farming. This not only disturbs farm community life as we once knew it, but it is taking many people out of our agricultural communities. This certainly is not good for America.

The composition of the Congress has changed a great deal since the time when Representatives from farming districts were a potent force in enacting farm legislation. Due to the trend of population into the urban areas of this country, farm representation in the Congress is becoming less and less and, hence, it has also become more difficult to enact any kind of major farm legislation. If legislation is enacted, it must not only satisfy farmers but the people in the city as well.

Another handicap facing agriculture today is the diversity of views regarding farm legislation as expressed by our various farm organizations. If there was more general agreement among these groups as to the type of legislation actually needed, legislating in this field would not be so difficult. In this connection, I long ago advocated a White House Conference on Agriculture at which the problems of agriculture could be discussed with the leaders of farm organizations and other experts at the highest level in the hope that such a meeting might prove constructive. I still think this is a good idea.

Furthermore, I sincerely believe that the problems of agriculture should be completely divorced from partisan politics. There is no reason in the world why agriculture, the Nation's basic industry, should be kicked around by political parties in order to gain votes. The American farmer deserves better treatment than that. Members of Congress approach the question of foreign affairs and national defense on a non-partisan basis. On these issues we stand united, but when it comes to dealing with agriculture, we continue to spar for political advantage. This is another important reason why it is so difficult to enact proper and sensible farm legislation, especially in an election year.

I will be very much surprised if the present Congress will do anything very constructive in passing adequate and proper farm legislation at this session. Aside from general consideration involving the entire farm problem, we all realize that something must be done to cut down on farm surpluses, particularly wheat. It seems to me that wheat legislation should have the highest priority as far as this session is concerned. President Eisenhower has indicated that he will approve a wheat bill if it meets the guidelines set out in his special farm message to the Congress. Therefore, if the majority leadership in the Congress really wants a wheat bill which can be enacted into law, all they have to do is meet the President's challenge. Whether or not a realistic wheat bill is passed at this session will depend upon how sincere the Democrat majority is in trying to do something about it.

Mrs. SULLIVAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Chairman, earlier today I asked the chairman of the subcommittee several questions about provisions of the bill before us dealing with poultry inspection. I think the facts clearly show that it was the intent of Congress—and it is the law of the land—that all poultry and poultry products in interstate commerce must be inspected for wholesomeness, and that must entail continuous inspection, not a hit-or-miss sampling system. If this bill provides for less than that, as I am afraid it does, then the situation requires correction. Plants making poultry soups, poultry pies, and other processed foods using significant quantities of poultry in their preparation, should be extended the free inspection service, on a continuous basis, both for their benefit and the benefit of the consuming public. Under a temporary situation which has been in effect, all such further processing plants have been exempted from the new Poultry Products Inspection Act requirement for continuous inspection, but the exemption has been for the convenience of the Government. That exemption expires June 30. After that, all plants in interstate commerce are entitled to have inspectors on their premises. This is most important. If the additional \$500,000 provided for poultry inspection in the bill is not sufficient to assure such continuous inspection in all plants—including the 300 now temporarily exempt—then more money must be provided. The responsibility cannot be evaded.

However, I do want to say I am pleased that in answer to the request which I made and which several other Members of Congress also made, as well as representatives of the Meat Cutters Union and the poultry processors, that some additional funds, at least, are being provided in the bill for poultry inspection even though the President failed to ask for those extra funds. I cannot understand that failure on the part of the executive department. It seems to me it represented a case of repeal of an important provision of consumer law by the process of appropriation starvation. The committee is to be commended for recognizing that funds must be available to comply with the inspection law, even if the President did not ask for those extra funds. My concern now is whether the \$500,000 is enough, and whether the technical language inserted in the bill in connection with this extra \$500,000 item is, as I believe it to be, a limitation on the effectiveness of the inspection work in plants which buy chicken parts and carcasses and process them into prepared foods.

Now, Mr. Chairman, I turn to another aspect of agricultural expenditures which concerns me deeply. I refer to the distribution of surplus foodstuffs to the needy. The Department maintains, and the President seems to believe, that

our Government is doing a terrific job of distributing surplus food to the needy. Even the committee report seems to swallow some of that. But the reports we are receiving from West Virginia—right now very much in the political news—are that the free food distribution system is a cruel hoax on the needy. The variety of foods distributed is frightfully inadequate to help assure even a minimum diet. It is a dumping program. And yet we have widespread farm distress because farmers cannot sell all they produce of the wonderful variety of foods grown in this bountiful country. Why must any American go hungry when we raise more chickens than we can sell and more eggs than can possibly be sold, produce more butter than we can sell, more fresh fruits and vegetables, more meat, more of everything, and while we are frantically trying to give food away overseas, as the committee report points out?

In this country we are told that technical problems of distribution make it impossible to give out fresh eggs instead of powdered eggs to our needy. We are told it is impossible to give our needy poor an occasional few pounds of chicken, yet we gave frozen chickens to Egypt. The only outlet in this country for surplus fresh foods in the form most people like to eat them is the school lunch program and some of the public institutions. Actually, we have 7 million or more Americans on various forms of public assistance who could also, through a food stamp plan, enjoy the surplus of our harvests. This would remove the necessity of processing a lot of this food for dumping overseas; for instance, of processing eggs into powder on such a huge scale. Why not fresh eggs for our needy?

The answer, of course, is that our surplus distribution machinery does not have the necessary flexibility for distributing fresh products. It is a warehousing operation, and the food must fit the mechanics of that system.

A food stamp plan, using the neighborhood grocery for distribution purposes, would make possible a continuous flow of surplus farm products in fresh and appetizing form to the very poor who cannot now afford to buy such items.

I intend to discuss the food stamp distribution system in greater detail in the near future. We have the legal authority in the law—at long last—after 5 years of administration obstructionism on it—we have the legal authority for a food stamp plan. In all reverence, I say God knows we need such a program. West Virginia is not the only place in the Nation with stark poverty and many, many needy persons.

And the food—we have more food than we know what to do with. Our vast hoard of food is a storage headache, a budgetary nightmare, a fiscal scandal, and a moral shame considering how much hunger exists on this earth. But we have the food. It could be a blessing, not a curse, if more of it could be used to feed our own malnourished people—millions of them.

I am disappointed that the subcommittee, in drafting the report on this

bill, did not see fit to include the suggested language I submitted calling for administration action to institute a food stamp plan. I am also sorry the committee partially swallowed the administration propaganda about the billions of dollars worth of surplus food going to 21 million of needy Americans, when that figure clearly includes many millions of schoolchildren who are not needy—for it includes all distribution under the school lunch program.

The food stamp plan, if implemented, could do for all agriculture on a tremendous scale what the school milk program is now doing for dairy farmers. We spend almost \$100 million a year on this extra milk allowance. It is not a welfare program—it is intended primarily to sell and dispose of milk—a price support program. But no one objects to it. We recognize its tremendous value in building the health of the Nation's children. Along the same lines a food stamp plan would assure better meals also for 7 million or more Americans—and thus establish a vast new market for farm products which now rot in the fields or go overseas as gifts.

Mr. Chairman, when we talk about revitalizing agriculture, why can we not recognize that the best way to help the farmer is to provide him with more customers for what he raises? A food stamp plan would enable us to use up all of our surplus items eligible for support under section 32 as well as much more of the storables. If perishables could be distributed through the neighborhood grocery, we could make full use of the more than \$300 million available every year under section 32, much of which never gets spent for the purpose for which it was intended.

In conclusion, Mr. Chairman, I think it only fair to point out that in many important respects the subcommittee which drafted the bill now before us has done an excellent job, and I do not want anything I have said to be regarded as a blanket condemnation of this bill or a blanket criticism of the report filed on the bill. I have tried to make my criticisms specific, and I think they are justified.

On the other hand, I applaud the subcommittee for again handling the school lunch appropriation with sympathy for the great importance of this program, and for once again earmarking some of the frequently unused section 32 price support funds for the school lunch program. I back up the committee on many of the statements in the report critical of our surplus disposal program. I particularly want to express my appreciation for the decision of the subcommittee to provide the full budget amount for meat inspection in the Agricultural Research Service appropriation, so that meat inspection for the red meats can continue at the same level as in the current year.

This was one of the items I stressed in my testimony before the subcommittee, in view of the indication the subcommittee gave last year that it thought further processing in the red meats did not require continuous inspection. Since the issue involved last year in

meat inspection, as discussed in my testimony, is exactly the same as now confronts us in connection with the inspection of further processing operations in poultry, I sincerely hope the outcome for poultry inspection will be the same.

It is not enough to make sure that the meat and poultry which go into processed foods were wholesome at the time of slaughter; as my testimony before the subcommittee pointed out, meat carcasses or parts—and the same holds true for poultry—can spoil in transport from one plant to another, and often do. The Federal meat inspectors each day condemn large amounts of meat intended for use in processed meat products, even though the meat was wholesome at the time of slaughter. Much can happen to it en route to final processing. The same holds true, as I said, for poultry.

Under unanimous consent, I submit at this point my testimony before the subcommittee, as follows:

**THE SCHOOL LUNCH PROGRAM, MEAT AND POULTRY INSPECTION, AND THE FOOD STAMP PLAN**

(Statement by Representative LEONOR K. SULLIVAN, of Missouri, before Subcommittee on Agricultural Appropriations, House Appropriations Committee, March 15, 1960)

As members of the subcommittee know, I have appeared before you a number of times in past years to urge adequate appropriations for such items in the Agriculture Department's budget as the school lunch program, meat and poultry inspection, distribution of surplus foods to the needy, and various other programs of the Department of Agriculture which are important to urban areas of our country. I am happy to say that this subcommittee has usually shown great awareness of the importance of these programs even though the present Secretary of Agriculture has frequently demonstrated very little concern for the consumer viewpoint, and his budget requests have usually been inadequate for consumer-type services conducted by his Department.

I do not want to go into any great detail on the budget items this year. For instance, I know it is not necessary for me to take your time to urge fair treatment for the school lunch program. I am well aware of the fact that the only reason the school lunch program in the past several years has been as effective as it has been is that members of this subcommittee have insisted on it, and the House has demanded such action. I will support you, I can assure you, if, following your review of this appropriation request, you once again recommend more money for this program than the budget recommends.

**MEAT INSPECTION**

On meat inspection, however, I am not sure we see exactly eye to eye. As I recall, I was the only Member of the House to take the floor last year, during debate on the Agriculture appropriation bill, to protest some language you wrote into your report concerning the matter of further Federal inspection during processing operations of meat products containing meat which had already been inspected for wholesomeness at the time of slaughter. In your report you called for a study of the need for such continuous inspection, indicating that perhaps some money could be saved by eliminating the requirement that meat going into meat pies, and meat products of various kinds made from inspected meat must be inspected again in this secondary processing operation.

The information I have since obtained about this issue strengthens the view I

expressed last year. Meat inspectors in St. Louis with whom I have discussed this matter have informed me of numerous instances in which they have spotted and condemned processed meat products which were totally unfit for human consumption, even though the meat which went into them had originally been passed for wholesomeness at the time of slaughter. Each day in St. Louis alone hundreds of pounds of meat products are condemned as tainted, sour, putrid, unsound, contaminated, rancid, poisoned by contact with certain metals, or even containing fragments of glass. So the followup inspection is most necessary.

The meatpackers whom I know are not anxious to poison the consumer. On the contrary, they work hard to assure a safe and sanitary and nutritious product. They are, I might say, among the biggest boosters of an adequate meat-inspection program and are in the forefront of demanding adequate funds for this work. Enlightened business recognizes the importance of maintaining consumer confidence in its product, and that is why the enlightened meatpackers want adequate funds for meat inspection that must include funds for continuous inspection in the processing operations. So I ask that you not attempt to save a little money by cutting this item, because a budget cut on meat inspection would be a serious thing to the consumers of this country and to the meatpackers who are anxious to assure a wholesome product. Only the unscrupulous or fly-by-night operator would benefit from shortcuts on meat inspection, and that is exactly the kind of operator we don't want to benefit from the laws we pass. So I urge the full budget amount be provided for the Agricultural Research Service item for meat inspection, including funds for inspection of processed items.

**POULTRY INSPECTION**

As you all know, I was one of those Members of Congress who took an active role in the enactment in the last Congress of the Poultry Products Inspection Act. This act provided for an exemption until July 1, 1960, for the output of those processors for whom the Department of Agriculture could not immediately provide inspectors. The budget for the coming year falls, however, to request the additional funds which will now be required—about \$1 million—to pay the salaries of inspectors who will be needed in the 1961 fiscal year to inspect the output of processors which up to now have been exempt under this provision. I am informed that the Department has suggested new legislation continuing the exemption indefinitely for firms making poultry pies and similar processed items. I would bitterly oppose such a step. The Poultry Products Inspection Act has been of tremendous benefit to the country—to the consumers, the processors, and the farmers. We now have assurances that nearly all the poultry we eat is wholesome. Until a few years ago we did not have that assurance on most poultry. There is no reason to weaken the act by opening up exemptions Congress did not intend and has not agreed to.

Hence, under present law—under law which should not and probably will not be changed between now and July 1—the Department must provide inspectors by July 1, 1960, for about 300 poultry products plants which are at this time still exempt under the act. These are the plants which make poultry pies, soups, etc., and which were originally exempted for a short time because Congress recognized there would be difficulty in hiring enough qualified inspectors to cover all of the slaughtering plants as of the time the new act went into effect, so there was a reason to provide for temporary exemptions of this nature for processors at the convenience of the Department.

But these temporary exemptions expire as of June 30 of this year. No convincing reasons have been put forward to continue those exemptions beyond that time. Most of the exempted plants—about two-thirds of them, I understand—are already set up physically for inspection, and are, in fact, so anxious to have inspection that despite their exemption from the compulsory inspection program they are paying their own funds to have their products inspected under the voluntary Federal poultry inspection program. Obviously, then, inspectors are available for those plants. There is no reason, then, to continue exempting them. They are entitled to have inspection on the same free basis as the slaughtering plants, rather than to have to pay for it out of their own funds.

As for the 100 additional processing plants now exempt and not participating under the voluntary inspection program, we should take direct action to serve notice that as of July 1 they had better be set up for Federal inspection—including the required sanitary conditions—if they want to remain in interstate commerce after that date. The best way to accomplish that sort of warning is for the Congress to appropriate the additional \$1 million which will be required as of July 1 to pay the costs of a complete inspection program for all poultry and poultry products processed and sold in interstate commerce. If we don't appropriate the funds, a lot of these uninspected plants will probably see no urgency in getting set up for inspection—getting the proper equipment and installing required sanitary facilities—and if they have to do this at the last minute, they will really be up against it. For let me repeat that the law allows for no administrative exemptions for poultry in interstate commerce after June 30.

While I am discussing poultry inspection, I might say that I am again wondering aloud as to the wisdom of the Secretary of Agriculture in placing the poultry inspection program under the producer-conscious Marketing Service rather than making it a co-equal agency with meat inspection in the more independent-minded Agricultural Research Service. This latest incident of not seeking funds for inspection in the plants which are now temporarily exempted is yet another instance of tepid concern for the consumer interest. I will say that the meat inspection branch, on the other hand, has usually felt much more free to battle for the highest standards of consumer interest in its work.

**SURPLUS FOOD DISTRIBUTION—AND FOOD STAMPS**

Now I want to ask you to do me, and the Congress, and the American people, a big favor. I want you to write into your report on this bill language which reiterates that it is the intent of Congress that the Secretary of Agriculture utilize the authority he already possesses under law for the distribution of surplus foods to our needy under a food stamp plan, and stating that it is the intent of this committee of the Congress also.

Such a statement in the report will not in itself increase by a single cent the amount you will be appropriating in this bill. For, of course, the Secretary would still have to come back to Congress and to the Appropriations Committee to request a supplemental appropriation if a food stamp plan were actually to go into effect. I would like this subcommittee, however, in connection with the regular agricultural appropriation bill, to make it clear that the Congress is prepared to appropriate the funds for a food stamp plan, if the Department shows its willingness to carry out the intent of Congress and put such a plan into operation.

We have widespread distress among farmers; we have billions of dollars worth of surplus food and we have millions of undernourished Americans—persons not getting enough

to eat. The cost of distributing a few surplus foods to the needy at the present time is out of all proportions to the benefits the recipients obtain. Most of these costs are shouldered onto localities which find it uneconomic and burdensome to have a full-scale distribution set up for the purpose of distributing such a little bit of food—items like corn meal and flour and dried skim milk and occasionally some butter or cheese.

Under the food-stamp plan approved by Congress last year, however, these storable items—plus perishables which are removable under section 32—could be distributed directly through the regular grocery stores. The food industry, I am sure, would be delighted to participate for very little or no profit—just if their costs were covered—if the Department of Agriculture would make the effort to set up such a program, and enlist the food industry's cooperation. It would certainly help the farmer.

Therefore, since you are the subcommittee which directs the Department of Agriculture on how to use its money and what to use it for, I ask that you write wording such as this into your report:

"The committee notes that no funds have been requested by the Department for the implementation of the food-stamp plan enacted by Congress last year. While the law gives the Secretary discretionary powers in placing the program into effect, the conference report on the bill extending Public Law 480 made clear that Congress intended that the food-stamp plan should be utilized to distribute surplus food items to needy Americans. The Committee on Appropriations therefore recommends that the Department prepare and submit by July 1, 1960, a detailed plan for implementing the food-stamp law, and that it indicate the cost of putting such a specified plan into operation in the 1961 fiscal year, so that Congress can then appropriate the funds necessary to place a departmental food-stamp program in operation."

The wording is rough—I am aware that you do not need my help in writing the language of your report. I am just trying to express the thought. And I sincerely hope you will take this step as a means of ending the complacency of the Department of Agriculture over the tragic contradiction of so much surplus food, so many impoverished farmers, and so many Americans not receiving adequate diets. Thank you.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. McINTIRE].

The CHAIRMAN. The gentleman has but 3 minutes remaining.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 3 minutes to the gentleman from Maine.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Maine.

The CHAIRMAN. The gentleman from Maine is recognized for 5 minutes.

Mr. McINTIRE. Mr. Chairman, I rise simply to ask a question or two to the extent to which time will permit. I would like to direct a question to the committee, and perhaps the chairman of the committee, if I may, in relation to the item of appropriation in this bill concerning the school lunch program of \$110 million. May I say that I concur with the committee in its very careful consideration of this program. I should like to raise a question as to the chairman's opinion concerning the purchase policy which would be applied in relation to items which go into the school lunch program.

In view of the commentary which has already taken place here relative to the

importation of food products into our markets, would it be the opinion of the committee that these funds should be directed toward purchase of American products for distribution in the school lunch program?

Mr. WHITTEN. That issue did not come before us in the consideration of this bill. But I certainly would think, in view of the fact that one of the primary sources of our contribution to the school lunch program in addition to appropriated funds is section 32 purchases, which in turn use domestic markets for perishable commodities primarily, anybody handling it could easily see they should use the appropriated funds for purchases of American food. I agree with the gentleman we would anticipate that the fund would be used for the purchase of American products.

Mr. McINTIRE. I appreciate the chairman's reply and I certainly concur with his observation. I believe it is important to have this observation as a matter of record for guidance in the purchase program.

Now, I would like to ask another question. I have searched through the report of this committee and also the legislative document. Is there in this report or in the bill accompanying the report any specific reference to the 5 percent of foreign currencies being used specifically for market development work under Public Law 480?

Mr. WHITTEN. I think there is. We had a reference to that in the report and I think we had some changes in language as to the intent of the act. We attempted to bring the use of those funds in line with the original act. It is in the report on page 32.

Mr. McINTIRE. I appreciate that response. It has been of concern to some of us on the legislative committee that certain priorities have gotten ahead of market development work. It was our intent in our last extension of the act to place emphasis on the market development work.

Mr. WHITTEN. We discuss that thoroughly on page 32. There is a definite limit as to how far this subcommittee can go in trying to restore the intent of the gentleman's committee.

Mr. McINTIRE. I thank the gentleman. I should like to call attention to the colloquy that took place with the gentlewoman from Missouri today in relation to poultry inspection. It is my understanding from that colloquy that the poultry inspection provision in this legislative document is to provide an additional \$500,000 for inspection and that the language which is inserted in this bill, although perhaps a point of order could be made against it, does perhaps release the Department from the mandatory provisions of the original Poultry Inspection Act.

Mr. WHITTEN. It is modified some, but it is not mandatory. It does give the Department some discretion as to how much inspection is required, which is provided in the basic law.

May I say to the gentleman that I do not quarrel about jurisdiction. There is enough work around here for everybody to do, but I do say, as the gentle-

man well knows, that no matter what legislation you might pass, if we do not give the money we do not have the program. Involved here is an effort to get together on the views of all concerned.

Mr. McINTIRE. I appreciate the chairman's comment.

I would like to comment further. I follow with interest the rural resources program of the Department of Agriculture. I appreciate the fact that there is provided in this bill \$2 million, but there are some people who feel that this program could well stand some further expansion, and I certainly would appreciate, as I am sure each member of the committee has already done, a careful review of this program, because I think we are on common ground in this respect.

There is one other area which causes me some concern. I am sure that the chairman and the members of the committee have given it close attention. I notice throughout this report that provision has been made for increased personnel costs, changes in grade, the wage and benefits provision under the existing Classified Employees Act. However, in the provisions made for the administrative expenses of the Farmers Home Administration there seems to be no provision for this factor. I am advised that the Civil Service Commission has required the upgrading of the clerks, which costs \$150,000 annually, and a wage and benefit increase of \$150,000; then some normal step increases, and that there is need for about \$500,000 here to be comparable with other divisions of the Department.

Mr. WHITTEN. May I say to the gentleman that these promotions that he has mentioned will have to be made from funds available. The question arises then whether the Farmers Home Administration should have that much additional money. In view of the relatively small workload in some sections of the country, it was felt that the problems of this agency could be met by the overall funds here. Again, it will be reviewed in the other body, and we will see what they think should be done.

Mr. McINTIRE. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. KYL].

Mr. KYL. Mr. Chairman, I am deeply concerned with the attitude apparently held by a number of my colleagues—an attitude that the farmer is in good financial condition. He is not. Preliminary census information indicates that my district of Iowa has again lost population—this is a direct reflection of agriculture's financial problem—now a problem of our small towns and cities as well.

There is need now, for broad legislation which reaches the basic causes of this situation. There are numerous proposals which would help. We will never vote on these proposals unless we are concerned with farmers rather than farmers' votes. This legislation is a first step. Beyond this we must take a long look at farm imports. Third, we should improve our agricultural reporting service to make it a truly effective guide for production.

Finally there is the job of finding new uses and new markets for agricultural products.

I do not care who introduces or supports attempts at effective legislation. Politics should not interfere with an honest attempt to find the solution.

The CHAIRMAN. All time has expired. The Clerk will read:

The Clerk read as follows:

Research: For research and demonstrations on the production and utilization of agricultural products, home economics, and related research and services, including administration of payments to State agricultural experiment stations, \$67,934,000: *Provided*, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a), or to not to exceed \$1,000,000 to remain available until expended for the construction and alteration of buildings: *Provided further*, That the Secretary of Agriculture may sell the Entomology Research Laboratory at Orlando, Florida, in such manner and upon such terms and conditions as he deems advantageous and the proceeds of such sale shall remain available until expended for the establishment of an entomology research laboratory: *Provided further*, That in the establishment of such laboratory the Secretary may acquire land therefor by donation or exchange;

Mr. ANDERSEN of Minnesota. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. WHITTEN. Mr. Chairman, reserving the right to object, it is my understanding that the part to be read would not be subject to amendment.

Mr. ANDERSEN of Minnesota. I withdraw my request, Mr. Chairman.

The Clerk read as follows:

#### DISEASES OF ANIMALS AND POULTRY

Eradication activities: For expenses necessary in the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for foot-and-mouth disease and rinderpest programs undertaken pursuant to the provisions of the Act of February 28, 1947, and the Act of May 29, 1884, as amended (7 U.S.C. 391; 21 U.S.C. 111-122), including expenses in accordance with section 2 of said Act of February 28, 1947, the Secretary may transfer from other appropriations or funds available to the bureaus, corporations, or agencies of the Department such sums as he may deem necessary, to be available only in an emergency which threatens the livestock or poultry industry of the country, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts: *Provided*, That this appropriation shall be subject to applicable provisions contained in the item "Salaries and expenses, Agricultural Research Service".

Mr. AVERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this in order to propound a question to the distinguished subcommittee chairman, the gentleman from Mississippi [Mr. WHITTEN]. Could the gentleman advise us what his plan of procedure is for the remainder of the time this afternoon? Are you going to read the entire bill?

Mr. WHITTEN. It was my hope to read the entire bill. If the session stretches out too long, of course, then we would rise, say, at 5 o'clock.

Mr. AVERY. And the gentleman hopes to complete work on the bill this evening?

Mr. WHITTEN. I certainly would hope so, but it will go over until tomorrow for a final vote.

Mr. AVERY. Well, Mr. Chairman, I, of course, am in no position to object. It was my understanding we were just going to conclude general debate this afternoon and read the bill under the 5-minute rule tomorrow.

Mr. WHITTEN. It was my understanding with the leadership that we would proceed but that any vote would go over until tomorrow. That was my understanding individually, so that I am carrying out what I understood to be the situation.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### EXTENSION SERVICE

*Cooperative extension work, payments and expenses*

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), \$54,220,000; and payments and contracts for such work under section 204(b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,495,000; in all, \$55,715,000: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year: *Provided further*, That all of the additional funds provided herein shall be used to meet expenses at the county level.

Mr. YOUNGER. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, had come to no resolution thereon.

#### JOINT COMMITTEE ON INTELLIGENCE MATTERS

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I wish to advise the House that I have again contacted the Committee on Rules, urging favorable action on House Joint Resolution 31, and similar resolutions pending before the committee. House Joint

Resolution 31 provides for the establishment of a Joint Congressional Committee on Intelligence Matters.

The recent downing of a U.S. plane over Soviet Russia, and the conflicting reports that follow, again underscore the necessity for the approval of this proposal.

There is a drastic need for improved coordination of our Nation's intelligence activities, and for better contacts between the Congress and the executive branch in this vital field.

When I first introduced my proposal in 1953—in the form of House Concurrent Resolution 169, 83d Congress—I pointed out that over a score of separate agencies, offices, and bureaus are independently engaged in intelligence-gathering activities.

That the Central Intelligence Agency, created for the purpose of coordinating and evaluating intelligence, has not given adequate emphasis to its basic statutory functions and had become an intelligence-gathering organization in its own right.

And that intelligence matters have been handled in a piecemeal, at times almost slipshod manner from the congressional standpoint.

Those facts were in evidence in 1953, and they are still in evidence today.

Two years after my original proposal was introduced, the Hoover Commission, in its "Report on Intelligence Activities," endorsed and called for the creation of a Joint Congressional Committee on Intelligence.

On June 28, 1955, the Hoover Commission stated—in its one and only recommendation on the subject of intelligence activities—that our Nation needs a congressional "watchdog" committee, patterned on the Joint Atomic Energy Committee, to collaborate with the Executive on matters of special importance to the national security.

On January 17, 1955, when the 84th Congress convened, and even before the Hoover Commission submitted its recommendations, some 20 Members of this House joined me in reintroducing the proposal to establish such a "watchdog" committee.

On July 6, 1955, at my request, the Committee on Rules granted a hearing on this legislation. After 2 days of hearings, the committee took no action to place the resolution before the House but assigned a subcommittee to study the proposal.

This action was followed by a second hearing before the Committee on Rules, held on January 31, 1956. In spite of our efforts, however, the resolution did not advance to the House.

With the help of interested colleagues, I again revived the effort to bring this proposal before the House when the 85th Congress convened, by introducing House Concurrent Resolution 49, and asking for an early hearing.

I followed this by reintroducing the proposal in the 86th Congress in the form of House Joint Resolution 31 and House Concurrent Resolution 11. Both of these measures are pending before the Committee on Rules.

Mr. Speaker, I have mentioned all these steps merely to show that the pro-

posal to establish a Joint Congressional Committee on Intelligence Matters is not a rash proposal brought out by a single international incident.

It is a well-thought-out measure, which I have repeatedly brought to the attention of the House for the past 7 years.

I do not believe that House consideration of this proposal should be delayed any longer. The facts of the international situation, and the facts relating to the operations of executive intelligence agencies, speak for themselves.

I earnestly hope that the Committee on Rules will promptly schedule House Joint Resolution 31, or House Concurrent Resolution 11, for floor debate and a vote.

#### RELIEF OF HARDSHIP FOR DISPLACED FAMILIES AND BUSINESSES

Mr. RAINS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. RAINS. Mr. Speaker, I have today introduced two housing bills, the Home Financing Act of 1960 and the Relocation Assistance Act of 1960, to serve as a frame of reference for the extensive hearings on general housing legislation to be held by the Housing Subcommittee beginning May 16. I would like to emphasize, Mr. Speaker, that these two bills incorporate a number of new suggestions and proposals to help improve our home financing programs and to bring relief to families and businesses forced to move because of the urban renewal program. I am hopeful that the ideas incorporated in these two bills will stimulate interest and discussion among the many groups who have an interest in the many facets of Government-assisted housing programs. I cannot emphasize too strongly, however, that no one should gain the impression that the subject matter of our hearing will be confined merely to the new ideas advanced in the two bills I have introduced today. We will, of course, in writing our omnibus housing bill go thoroughly into all of the problems facing existing programs, such as the need to provide additional funds for the college housing loan program, additional grant money for the urban renewal program, the question of additional units for the low-rent public housing program, the problems of military housing, the special problem of housing for the elderly, and so forth.

Mr. Speaker, I am also inserting in the RECORD two brief summaries of the main provisions of the two bills. I am now having prepared a detailed section-by-section summary which will be available soon for distribution to interested persons. I would also like to announce in connection with our hearings that anyone interested in testifying should contact the subcommittee staff, room 406, Old House Office Building, CA-4-3121, extensions 4855 or 2258.

#### BRIEF SUMMARY OF THE MAIN PROVISIONS OF THE HOME FINANCING ACT OF 1960

##### TITLE I—FHA INSURANCE PROGRAMS

1. The bill extends the FHA title I home improvement program for 2 additional years and makes an increase in the insurance authorization for that program.

2. Another section would provide for an additional increase in mortgage insurance authority for FHA's various programs to keep them in full operation.

3. The bill would provide no-downpayment financing on low-cost homes by eliminating the present 3-percent downpayment on FHA loans on the first \$13,500 of value. Also, the 10-percent-downpayment factor now applicable above \$13,500 would extend up to \$20,000 instead of the present \$18,000 cutoff point, and in addition the 30-percent-downpayment factor on higher valuations would be reduced to 25 percent.

4. The maximum FHA loan on a single-family home would be increased from the present \$22,500 to \$25,000.

5. The present 30-year maximum loan maturity would be increased to 35 years. Also, the bill would give permissive authority for approval by the Commissioner of terms up to 40 years in hardship cases where the family could not otherwise meet the monthly payments.

6. The bill would make mandatory a reduction in the FHA insurance premium from the present one-half of 1 percent per annum to one-fourth of 1 percent, unless the FHA Commissioner makes a formal finding that such a reduction cannot be made without impairing FHA's reserves.

7. The present 1-percent prepayment penalty on FHA loans would be prohibited after the loan has matured for 5 years.

8. The bill also includes a number of amendments to improve the present rental housing and cooperative housing programs. One important amendment to the cooperative housing program would establish a mutual mortgage fund for cooperatives so that cooperative owners would have the same financing advantages as those enjoyed under the regular FHA sales housing program.

##### TITLE II—EXPANSION OF FNMA SUPPORT OPERATIONS

###### Part 1. Central mortgage bank

This part of the bill would make a number of important amendments to the present secondary mortgage market operations of FNMA designed to enable that agency to provide the central mortgage banking function which has long been needed to assure an adequate supply of mortgage credit to the home-building and home-financing industry. To achieve this the bill, among other things, would (a) increase FNMA's capitalization substantially, (b) authorize the Association to make advance commitments to purchase mortgages, and (c) for the first time authorize the Association to make loans on mortgages pledged by lenders as security.

Another important amendment would establish an Industry Advisory Board of 12 members, 1 from each of the existing Federal Reserve districts. The Board would be composed of representatives of the housing industry with expert knowledge of the needs and problems in the various fields of housing activity.

###### Part 2. Special assistance functions

To improve FNMA's program to provide special assistance for mortgages financing specially deserving programs, the bill would (a) make par purchase a mandatory permanent feature of the special assistance operation, (b) limit the fees and charges FNMA can make on special assistance mortgages, and (c) provide additional funds for the President to support deserving programs

such as urban renewal housing, cooperative housing, etc.

Another important provision would set up a special fund to give financial backing to mortgages to finance the nursing homes authorized in the Housing Act of 1959.

##### TITLE III—SECONDARY MARKET FOR CONVENTIONAL MORTGAGES

This title would fill an important gap in existing financial support mechanisms in the private mortgage market. Savings and loan associations are presently the largest single source of mortgage financing, and the bill would set up a new corporation within the Home Loan Bank System with the authority to purchase conventional mortgages from institutions which are members of the Federal Home Loan Bank System. The corporation would have the authority to issue debentures in the private market against its portfolio of acquired conventional loans. This should provide a much-needed measure of liquidity in the conventional loan field and help even out the availability of mortgage credit in various parts of the country.

##### TITLE IV—FHA INSURANCE FOR SITE PREPARATION AND DEVELOPMENT

This title would authorize an entirely new program to permit FHA to insure loans to builders and developers to prepare sites for residential construction. In many areas of the country financing for site development is extremely difficult or impossible to obtain, with the result that too often there is a monopoly situation in which land development is confined only to a few wealthy developers. Lack of availability of loans on reasonable terms for land development also has been an important contributing factor to the inflated land costs which plague homebuilding in many parts of the country.

##### TITLE V—DEPARTMENT OF HOUSING AND URBAN AFFAIRS

1. In order that our housing and other urban problems may be treated at the highest levels of Government, the bill would give Cabinet status to housing by creating a new Department of Housing and Urban Affairs.

2. The functions of the Housing and Home Finance Agency would be immediately transferred to this new Department and the executive branch would be directed to make further studies to determine what other functions should be included in the new Department. (The bill specifically excludes veterans affairs and the functions of the Department of Agriculture and the Federal Home Loan Bank Board from the new Department.)

#### BRIEF SUMMARY OF THE MAIN PROVISIONS OF THE RELOCATION ASSISTANCE ACT OF 1960

##### TITLE I—RELOCATION ASSISTANCE

###### Relocation payments

1. The bill would raise the ceiling on relocation payments to displaced families from the present \$200 to \$300.

2. While the present \$3,000 ceiling on relocation payments to displaced business firms is adequate in most cases, it works a hardship on those concerns which have heavy equipment. In these cases the bill would permit the agency to pay total certified actual moving expenses.

3. The bill would give displaced business firms a "reasonable opportunity" to the maximum extent feasible to relocate in the urban renewal area after development.

4. The bill would authorize local redevelopment agencies to retain a full-time relocation specialist to assist displaced families and business concerns. The salary of this specialist would be paid in full by the agency under such regulations as the Administrator may prescribe, in the same way that the Federal Government now pays the full cost of relocation expenses.

*Small business loans for concerns displaced from urban renewal areas*

Another provision of the bill would extend relief to business concerns which are displaced by urban renewal. This would be done by authorizing the Small Business Administration to make loans on liberal terms to reestablish their new businesses. These loans would be made on the same basis as is now used by SBA in lending to firms struck by disasters such as windstorms and flood; they would have a term of up to 20 years and carry an interest rate of 3 percent.

**TITLE II—LOW-RENT PRIVATE HOUSING FOR DISPLACED FAMILIES**

The purpose of this title is to provide relief for those displaced families whose incomes are high enough to qualify them for public housing but yet not quite high enough to afford decent private housing. To do this the bill would authorize loans to nonprofit corporations for the construction of rental housing.

These loans would be made for the full replacement cost of the project, would have maturities up to 60 years, and would have an interest rate of 2 percent, the same interest rate which has made the rural electrification program so successful. These loans would be confined to communities which have workable programs as required by the Housing Act of 1954 for urban renewal assistance. The number of units which may be built in any community would be limited to that which the Administrator determines is necessary for the relocation of low- and middle-income families who have been displaced by urban renewal activities, and the Administrator shall publish such regulations as are necessary to give a priority in renting to displaced families.

**TITLE III—URBAN RENEWAL AREAS INVOLVING HOSPITALS**

The bill would make certain expenditures by hospitals eligible for inclusion as local grants-in-aid on the same terms as expenditures by colleges and universities under section 112 of the urban renewal law.

**RUMANIAN INDEPENDENCE DAY**

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the peoples of the Balkan Peninsula differ from each other in many ways: in race, in language, in history, and in tradition. They all have, however, one great influence in common: their willingness to fight for their freedom, and in adverse circumstances they have all shared the same fate. The Rumanians, as one of the largest of the peoples in the peninsula, have of course suffered a similar fate.

Early in modern times their country was overrun by the Ottoman Turks, and they were subjected to the unwelcome and harsh rule of their conquerors. For centuries they tried hard to free themselves from the oppressive yoke of their overlords, but most of their attempts ended in failure. In the middle of the last century, however, they had better luck. At the end of the Crimean War, in 1856, they gained autonomous status and this was obtained with the guarantee of the European powers. That was the first step in the rise of modern Rumania. The next and most impor-

tant move was made in 1877, in the middle of the Russo-Turkish War of 1877-78. On May 10 of that year Rumanians took their destiny into their hands and proclaimed their independence. Since that year, for 83 years, May 10 has been celebrated as their national holiday, their independence. I gladly join them in this anniversary celebration.

**THE FEDERAL TRADE COMMISSION TO DECIDE WHETHER THE NEW YORK TIMES' ADVERTISING "ALL THE NEWS THAT'S FIT TO PRINT" IS FALSE AND MISLEADING ADVERTISING IN VIOLATION OF THE FEDERAL TRADE COMMISSION ACT**

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PATMAN. Mr. Speaker, I am inserting in the RECORD a letter which I have today written to the Chairman of the Federal Trade Commission, raising the question whether advertising by the New York Times that it prints "all the news that's fit to print" is false and misleading within the meaning of the Federal Trade Commission Act.

This morning, when I sent this letter to the Federal Trade Commission, I also sent a copy to Mr. Arthur Hays Sulzberger, publisher and chairman of the board of the New York Times Corp. Since Mr. Sulzberger may wish to make a public comment, and will not have received this letter until tonight or tomorrow morning, I am inserting the letter in the RECORD without prior release to the press, so that it will be available for the first time tomorrow morning, in which case Mr. Sulzberger may be prepared to comment, should he care to comment.

MAY 10, 1960.

HON. EARL W. KINTNER,  
Chairman,  
Federal Trade Commission,  
Washington, D.C.

DEAR MR. CHAIRMAN: The new and enlarged way in which the New York Times is advertising its claim that it prints "All the news that's fit to print", has prompted a serious question whether this claim is false and misleading within the meaning of the Federal Trade Commission Act and thus violates the law which is intended to protect the public against false and deceptive advertising.

Surely this questionable claim has a tendency to make the public believe, and probably does make the public believe, that the New York Times is superior to other newspapers which must compete with it for advertisers' patronage and, accordingly, for readers. Competing papers, on the other hand, do not and cannot, truthfully, claim that they print all of the news that's fit to print.

The observation has been made that the New York Times certainly does not print all the news, and rarely prints all the important news, such as that concerning the operation of the Federal Government here in Washing-

ton. Consequently, in view of the campaign to eradicate advertising which has a tendency or capacity to deceive or mislead the public—which has included ferreting out and condemning "payola," prohibiting use of the word "free," condemning claims of "former" prices which are not truly the prices previously charged, and so on—it appears the FTC should give specific attention to the New York Times' claim that it prints all the news that's fit to print.

Further, in view of your many speeches on "The Importance of Integrity in Advertising" which indicate that you are mobilizing the FTC against all falsity in advertising, it has been suggested that I call this matter to your attention for the Commission's consideration and action.

If efforts to clean up false and misleading advertising claims are to meet with reasonably prompt success, surely the place to begin is with the claims of the leading advertising media, since the character of the claims these media indulge in no doubt serves as a persuasive example for the other advertisers.

Please be good enough to advise me at your earliest convenience what conclusion the Commission reaches in this matter. In the meantime, should you need assistance in compiling evidence on the fact that the New York Times has not printed all of the news that's fit to print, please let me know, as such assistance has been offered to me.

Please be assured of my support for any legislation which the Commission should believe it needs to strengthen its powers to halt false and deceptive advertising.

Sincerely yours,

WRIGHT PATMAN.

**FISHERIES RESEARCH AND MARKETING**

The SPEAKER. Under previous order of the House, the gentleman from Maine [Mr. COFFIN] is recognized for 30 minutes.

Mr. COFFIN. Mr. Speaker, I wish to explain the purposes and terms of several bills identical to H.R. 12141, to amend the fisheries research and marketing provisions of the Saltonstall-Kennedy Act, introduced today by the gentleman from California [Mr. GEORGE P. MILLER]—H.R. 12144—the gentleman from Louisiana [Mr. THOMPSON]—H.R. 12147—the gentleman from North Carolina [Mr. LENNON]—H.R. 12143—the gentleman from New York [Mr. ANFUSO]—H.R. 12142—the gentleman from Washington [Mr. PELY]—H.R. 12146—my colleague the gentleman from Maine [Mr. OLIVER]—H.R. 12145—and myself.

**LEGISLATIVE BACKGROUND**

In 1954 Senate bill 2802 and House bill 7641 became law. They amended section 2 of the act of August 11, 1939 (53 Stat. 1411), by requiring the transfer of 30 percent of the gross receipts from duties collected under the customs laws on fishery products from the Department of Agriculture to the Department of the Interior. The fund so established was to be used to conduct technological, biological, and related research programs in fisheries. The Secretary of the Interior was directed as far as practicable to cooperate with other Federal agencies and with State or local governmental agencies and other groups and individuals in this program.

Part of the essence of the approach was Federal-State cooperation. As was

stated in debate on the floor of the Senate—CONGRESSIONAL RECORD, volume 100, part 5, page 6583:

Under the pending bill, the Secretary of the Interior will cooperate with the States, which are conducting studies relative to their individual problems, such as pollution, methods of catching, industry problems, conservation measures, and other difficulties peculiar to their particular areas.

This was an admirable example of a Federal program strengthening the economy of the Nation through the use of the States as laboratories.

#### EXPERIENCE UNDER SALTONSTALL-KENNEDY ACT

Our experience under this act, Mr. Speaker, has fallen short of this concept of widespread State-Federal participation.

Although the original intent of the Saltonstall-Kennedy Act in providing research and marketing funds was to stimulate expanded activities in these fields, especially at the State level, each year the Bureau of Commercial Fisheries has been forced to divert these funds to its regular research, formerly financed wholly out of appropriations, with the result that (a) Saltonstall-Kennedy funds have been drained away from State agencies and institutions, and (b) the Bureau of Commercial Fisheries budget has been held at an artificially low level. During fiscal year 1960, \$4.4 million of the \$5.1 million available for research and marketing assistance has been spent on Bureau of Commercial Fisheries operated programs. Of the remaining \$700,000, approximately \$460,000 was spent through contracts with educational institutions, \$69,000 went to State institutions under contracts, and the remainder was handled through other institutions.

There has been considerable dissatisfaction with the program as it has operated. States have found it difficult to get increased funds from State legislatures, because members of the legislatures have suggested that funds be obtained from those available under the Saltonstall-Kennedy Act. At the same time, State agencies have felt that they are not receiving their fair share of funds under the Saltonstall-Kennedy Act.

Universities have complained because the Saltonstall-Kennedy Act makes no provision for grants, similar to those made by many other Federal agencies, for the basic research which these institutions believe they must conduct. The universities have found also that there is no assurance of continuity in the Saltonstall-Kennedy program which would aid them in their primary responsibility of producing research personnel for fisheries work.

The failure of the Law of the Sea Conference to accept the United States-Canada compromise proposal to extend territorial seas to 6 miles and the fisheries zone to 12 miles will most certainly create serious problems in this area in coming years. It is anticipated that some nations will extend the fisheries zone unilaterally. In order to work out favorable and desirable bilateral agreements much more intensive fisheries research will be required. Since this is

basically a Federal problem, affecting the States, it is only fair that the Federal Government should assist the States in meeting the added financial costs which will stem from these developments.

#### THE PROPOSAL

Under the proposed amendment, the research and marketing funds, after deducting 8 percent for administrative costs, would be divided into thirds, with one-third going for grants, one-third for contracts and one-third for States on a matching fund basis. The allocation to the States would be based on a formula involving the volume and value of their fisheries and the number of fishermen engaged in the fisheries industry.

This amendment would restore the program to its original objective, and would enable States to do research on problems peculiar to their own fishing industries. The contract and grant provisions would allow universities to develop continuity in their own programs, training qualified personnel, supplementing the work of the Bureau of Commercial Fisheries, and doing basic research. The matching fund provision would increase the amount spent on fisheries by about \$1,600,000 annually.

There is ample precedent for the matching fund approach, including the Dingell-Johnson and Pittman-Robertson programs administered by the Bureau of Sport Fisheries and Wildlife in the Department of the Interior.

#### EFFECT ON OTHER PROGRAMS

Some objections may be raised to the proposal, on grounds that it will interfere with the regular Bureau of Commercial Fisheries research program, now financed in large part by Saltonstall-Kennedy funds. This is not the intention of the proponents. We do not wish to curtail any work which the Bureau of Commercial Fisheries is presently doing, either with regular or Saltonstall-Kennedy funds.

If this amendment were enacted, it would, for fiscal year 1962, be necessary for the Bureau of Commercial Fisheries to ask the Bureau of the Budget and Congress to add to its regular appropriation enough funds to carry out its regular duties. The Saltonstall-Kennedy funds would be doing the job they were intended to do and would therefore no longer be a substitute for regular appropriations. The amendment would have no effect on fiscal year 1961.

The proposed change would put all regular projects in one place, where they should be, and would not increase Bureau of Commercial Fisheries' employment or expenditures. It would use Saltonstall-Kennedy funds for those special purposes for which they were intended, such as grants, contracts, and help to the States, especially in critical or urgent situations. It would restore the Bureau of Commercial Fisheries budget to a realistic basis.

It should be noted that a somewhat similar shift of funds was approved for the Bureau of Sport Fisheries and Wildlife, this year, when it was determined that all duck stamp funds would be used for wet lands acquisition. At the same time an increase of \$3.8 million in the regular budget for an equal sum,

formerly financed from duck stamp funds for wildlife research, was provided.

This legislation would not adversely affect the Magnuson oceanography bill, because it covers a much broader field of recipients—States, commercial organizations, universities, and other private institutions—and activities—market development, education, and biological, technological, and related research.

#### ADVANTAGES OF GREATER FEDERAL-STATE PARTICIPATION

There are several research administrative and psychological advantages to the State-Federal practice of matching fund appropriations. Among these advantages are:

First. Better coordination of Federal-State fisheries research.

Second. Better cooperation between Federal-State agencies in fisheries research.

Third. Better use of strengths of State agencies—local and background knowledge, more intimate acquaintance with industry problems, previous research, continuity of research effort, experience in resource management, experience in working with local government—and those of Federal agency—special facilities in laboratory, equipment, boats; highly specialized personnel; breadth of experience.

Fourth. Minimizing duplication of research effort.

Fifth. Establishment and definition of cooperative research responsibility of State and Federal Government.

Sixth. More careful scrutiny of research programs.

Seventh. Better use of individual agency facilities. In other words State facilities would be available for Federal use and vice versa.

Eighth. Better "pooling" of talents, facilities, installations, equipment, and so forth.

Ninth. Better use of specialists—either State or Federal—for problems which require specialists—not limited to biological problems.

Tenth. Elimination of "no man's lands" and "blind spots" in research which presently exist because neither State nor Federal agencies have been able to do the work.

Mr. Speaker, we who have introduced these bills today feel that this is constructive legislation which attempts to make a good program better. This bill contemplates no subsidy. It is a national investment in a national resource. We are hopeful that it will receive close study from the Subcommittee on Fisheries and Wildlife Conservation of the Committee on Merchant Marine and Fisheries, from the executive branch, and particularly from the State commissioners of fisheries of our 22 States which depend partly on the products of the sea for their prosperity.

In conclusion, I wish to submit the following statement by the Maine Commissioner of Sea and Shore Fisheries, Ronald W. Green, in support of this proposal:

"In spite of the rapid increase in the world's population and the resulting need for additional sources of high-protein foods,

and in spite of a general nationwide economic prosperity, the fishing industry—particularly the New England segment—is showing a continued decline. Evidence of this steady downward trend may be found in all phases of the industry: in the increasing numbers of overage vessels presently employed in the New England fleet, in the slow rate of replacement by means of new construction, in the decreasing amount of available investment capital, and in static level of the income of both producers and processors.

There are many reasons for the failure of the fishing industry to achieve the progress so obvious in other economic activities. Two of the more fundamental causes are a lack of sufficient scientific knowledge based on research, and a need for a specific, aggressive market development program which would enable the industry to meet its intensive competition.

Organized marine research is a relatively new development. In fact, only in the last decade or so have systematic studies been undertaken by the Bureau of Commercial Fisheries of the U.S. Fish and Wildlife Service and various State fisheries agencies. Thus marine research is actually as young as space research—and by no means as well supported financially.

For the most part fishing enterprises are small, and individual firms usually lack adequate capital for either research or market development programs of their own. In addition, there has been a long-standing tendency on the part of the fishing industry to look to the past, rather than to the future. Improved marine engines and the introduction of electronic devices have not basically altered the traditional fishing methods of the past 15,000 years. Fishing is still a hunting activity dependent upon the net, the hook and the spear, just as it was in mesolithic times. Even where a departure from this philosophy has been attempted, inadequate scientific information has prevented a dependably high order of operational efficiency.

This approach has also carried over to a considerable degree into the industry's marketing efforts. It is true, of course, that duty-free imports of seafood products have created serious problems for the industry. On the other hand, those segments of the fisheries which have a marketing program geared to present-day competitive standards have enjoyed some measure of economic prosperity.

As a result of this inclination on the part of much of the fishing industry to look backward instead of ahead, much research has been based on a series of crises in the industry. The Long Island Sound oyster-starfish crisis, the Pacific salmon problem, red tide, mass mortalities of shellfish, and the decline of the California pichard fishery are a few examples which emphasize the fact that too often research was not encouraged until after some catastrophe upset the fishery. For a sound research program, this is the worst possible approach; yet, in spite of this handicap, much valuable information has been obtained. Thus it is likely that a more adequate research program will give results as spectacular as those obtained in other scientific fields. In short, when research efforts are increased manifold, then and only then, will we begin to meet the most urgent needs of the industry.

In the same way, a considerable proportion of the fishing industry's efforts to promote, advertise, and market its products have been based on reactions to crises. Sudden fluctuations in prices have frequently touched off hasty advertising and promotional efforts aimed only at meeting an emergency and altogether lacking in continuity or long-range purpose. Most fisheries firms simply

do not have the funds with which to conduct well-planned advertising and market development programs on a nationwide scale. Further, too often such promotional efforts as there have been in the past were of the shotgun variety—a blast fired at random with no specific target in sight.

The proposed amendment to the Saltonstall-Kennedy Act, which would provide funds for joint Federal-State research and market development programs, would be a most progressive step and should do much to help solve many of the fishing industry's problems.

As far as research is concerned, such a jointly supported program would enable Federal and State fisheries agencies to coordinate their respective efforts more effectively, thereby keeping duplication to a minimum. Better use of available personnel, particularly specialists, would be possible, and in addition facilities and equipment could be pooled. A better use could be made of background knowledge possessed by marine scientists of the Bureau of Commercial Fisheries and of the close acquaintanceship with the industry's problems which is maintained by State agencies. Research proposals would be more carefully scrutinized, and areas where research is not being done—in the "no man's land" not now covered by either Federal or State programs—would be reduced.

As far as market development is concerned, such a jointly supported program would make possible substantial increases in current promotional and marketing efforts. Such expansion is essential, if the fishing industry is to meet the growing competition from high protein, nonfish food products such as poultry and meat. It is also essential, if the industry is to meet the increasingly stiff competition provided by imported fisheries products, many of which start out with a clear-cut advantage, thanks to their own well-established market-development programs and to Government subsidies at home.

A joint marketing program would enable Federal specialists to carry on a general campaign to increase the sales and consumption of fisheries products, while at the State level more specific projects could be conducted in close cooperation with the fisheries firms concerned. In this way a well-thought-out overall program could be developed aimed at the long-term prosperity of the fishing industry. Crash programs and stopgap emergency efforts to shore up a distressed segment of the industry would be eliminated. A vital continuity would be established, and up-to-date methods could then be applied to the advertising, promotion and sales of fisheries products, similar to those which are proving so successful in other industries today.

Perhaps one of the most attractive features of this proposal is that it will not require additional Federal funds. By earmarking a portion of Saltonstall-Kennedy money for this purpose, Congress will make available \$2 for every dollar now being spent by the Bureau of Commercial Fisheries—thanks to State participation. In addition, the proposed amendment will stimulate State interest and activity in an area where State responsibility is increasingly needed. It will also encourage industry and local participation in both scientific and marketing endeavors and will serve to reduce the traditional inertia produced by the lack of clearly defined policies.

In short, a close correlation between biological, economic and technological studies and programs of market research and development should do much to revitalize the fishing industry and to help it achieve solvency in a highly competitive field.

The text of H.R. 12141 follows:

#### H.R. 12141

A bill to amend the act of August 11, 1939, with respect to the allocation of funds available under that Act, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (e) of section 2 of the Act entitled "An Act to authorize the Federal Surplus Commodities Corporation to purchase and distribute surplus products of the fishing industry," approved August 11, 1939, as amended (15 U.S.C., sec. 713c-3), is amended to read as follows:

"(e) The fund created for the use of the Secretary of the Interior under subsection (a) of this section and the annual accruals thereto shall be available for each year hereafter until expended by the Secretary of the Interior. After deducting 8 percentum for his expenses in the conduct of necessary investigations, administration, and execution of this Act the Secretary of the Interior is directed to allocate funds for the purposes mentioned in this section to the agencies, organizations, and individuals mentioned in this section as follows:

"(1) one-third in the form of grants;

"(2) one-third in the form of contracts; and

"(3) one-third for apportionment on an equitable basis, as the Secretary of the Interior may determine, among the several States. In making such apportionments the Secretary of the Interior shall take into account the extent of the fishing industry within each State as compared with the total fishing industry of the United States and such other factors as may be relevant in view of the purposes of this section.

Any State desiring to avail itself of the benefits of this section shall, through its State fisheries department, submit to the Secretary of the Interior full and detailed statements of any project proposed for that State. If the Secretary of the Interior finds that such project is consistent with the purposes of this section, and meets with standards to be established by him and otherwise approves such project, the State fisheries department shall furnish him such detailed surveys, plans, specifications, and estimates with respect to such project as he may request. If the Secretary of the Interior approves such detailed surveys, plans, specifications, and estimates, he shall so notify the State fisheries department. No part of any moneys apportioned under this subsection shall be paid with respect to any project until the detailed surveys, plans, specifications, and estimates have been approved by the Secretary of the Interior, and not more than 50 percent of the total estimated cost of the approved project shall be paid from funds made available under this section. If any funds made available for an approved project under this section are not used by the State for that project, that State shall not receive any further funds under this section until it shall have replaced the misapplied funds."

SEC. 2. The amendment made by the first section of this Act shall take effect as of July 1, 1961.

Mr. SCHWENDEL. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman from Iowa.

ABRAHAM LINCOLN

Mr. SCHWENDEL. Mr. Speaker, next May 18 will be a historic day in the United States. It will be just 100 years to the day since Abraham Lincoln was nominated for President of the United States on the Republican ticket. We, in

accordance with the wishes of Congress expressed in a resolution unanimously passed, have just finished a year's commemoration of the 150th anniversary of his birth. The national and international response to, the acceptance of the Lincoln story, the tribute to this great American has never been surpassed in history. Most of you will recall the joint session, February 12, 1959, which was provided for in House Joint Resolution 648 of 1958 and concurred in by House Resolution 57 in 1959, when for the first time a private citizen of the United States who has never served in a high office spoke to us in joint session and to the American people on the subject of Abraham Lincoln. This private citizen, eminent poet, historian, and scholar, spoke movingly and most appropriately to us. Not only did all of the news services in this country note this occasion but the world noted it, too. This occasion was even noted behind the Iron Curtain.

Now, you and I know that only a Lincoln could inspire and a Carl Sandburg to produce such literature.

This occasion and the lesson presented from the podium in the House by this scholar was good for each of us. It has been said that a nation may be judged by its heroes. If this be true, then it cannot be wrong for us to use this House and take advantage of every opportunity to recall our heritage and the great blessings that have been ours because we were fortunate to have such men in the crucial times of our history.

Mr. Speaker, I know of no more effective form of mass education in American history and the American tradition than the manner we used on February 12, 1959. It had the compelling impact of an immediate news event. A Lincoln, a Jefferson, a Hamilton, a Washington celebration draws into a massive cooperative mechanism the Government itself and all its branches. It puts to work the vast and farflung apparatus of all forms of communication media—radio, television, the public prints. It adds to all these the finest and noblest living spirits and organizations in American culture. It is, or can be, a brilliant interlock of public and private enterprise aimed to excite the American heritage, needed so much in these times.

Therefore, Mr. Speaker, permit me to ask unanimous consent to set aside 2 hours of the proceedings of this House on Wednesday, May 18, to commemorate the centennial of Abraham Lincoln's nomination for the Presidency of the United States.

Mr. SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SCHWENDEL. Mr. Speaker, the implications of the action then taken by the national convention are clear to all of us. An unknown prodigy from the prairies would contend with illustrious statesmen for the highest office in the land. A compromise candidate would be elected by a minority of the people.

But this proposal for suitable observance is not made in any spirit of proprietary pride or party consciousness. On

the contrary, it is intended to discover what lessons the canvass of 1860 may impart to all of us, whatever our allegiance, 100 years later, as we approach another critical, another climactic campaign.

Then, as now, decisions were fraught with difficulty and dissension. Then, as now, issues, momentous and portentous, were taut and fragile. Then, as now, passion, prejudice, and panic threatened reason. The two-party system, under which the country had flourished and prospered, could find no accommodation and finally was abandoned. Ancient loyalties were forsaken for strange, transient, and uncomfortable fealties. Anger broke the land and the hearts of its inhabitants. It was a parlous, a reckless time. "The better angels of our nature" had failed us.

Surely, from the perspective of a century we should gain wisdom, perception, and that strong, sturdy sense of steadfast reconciliation. We should confront our problems with keener minds and sounder judgments. We should be guided exclusively by principle and belief, making our choices with the detachment and objectivity which only free men can enjoy. And we should listen, attentively listen, as Mr. Lincoln reminds us:

It is now 72 years since the first inauguration of a President under our National Constitution. During the period between then and now, 15 different and greatly distinguished citizens have, in succession, administered the executive branch of the Government. They have conducted it through many perils and, on the whole, with great success.

Our new President, whoever he may be, whatever his party, will be a greatly distinguished citizen to whom we shall all wish great success.

Mr. Speaker, on the 18th I shall discuss the importance of the decisions made at that convention and the other political conventions of that year; and I invite all my colleagues to whatever observation they may desire on how their own States influence was felt in shaping the destiny of our Nation.

Mr. Speaker, at the annual meeting of the Lincoln Group of Washington, D.C., last April 28, Mr. Lloyd Dunlap, consultant for the Civil War observance for the Library of Congress and an able, dedicated, and thorough student of Lincoln, gave an excellent paper on Lincoln's nomination in which he captured the atmosphere and spirit of the convention, discussed in some detail the events that led to Lincoln's nomination and related the drama developed there and the program adopted which became so important in shaping the history of our country. Because this may be helpful to those who are planning to share with me the time that the House has so graciously extended for May 18 in planning their own remarks in relation to the importance of this event to their own State and their own political party, I am asking unanimous consent that this fine dissertation by Mr. Dunlap be placed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

(The matter referred to is as follows:)

A century past there were four national political conventions and one real issue. In that darkening year and in the darker ones to follow, men stood for, or against, several things; but there was no question on what the trouble was really about. Slavery was the problem; and only a few years before, the way some men felt about it had led them to leave old parties and form a new one. These men—radical, conservative, moderate—the Republicans of 1860—now were gathering in Chicago for their second national convention. Only a few weeks before, the way other men, in another city, had felt about the question had split the Democratic Party, and created a situation whereby the next President of the United States would not be the choice of a majority of the voters. In a time charged with conflict and cleavage, men would act in an atmosphere of crusade, compromise and carnival to reach a decision of vast and enduring significance to their Nation and to generations then unborn. The prayer opening the third day, with its reference to the "evil in our midst" and the hope that the action of the delegates will somehow prevail against it and shape the pattern of things to come, has a prophetic ring.

But in Chicago on Saturday, May 12, men did not busy themselves with reflection and cloudy speculations. There was work to be done. A convention and a campaign lay ahead. A morning paper sounded the call:

"Come all and put a shoulder to the wheel, for tonight the ball begins to roll and the signal guns of the approaching contest between freedom and slavery will be fired."

These magnificently mixed metaphors were an invitation to the dedication of the wigwam, a crude wooden building hastily erected to house the convention. Here thousands of the partisan and curious paid 25 cents admission to listen to bands, admire the gas lighting, and cheer the oratory of half a dozen orators, including the Reverend John Johns, a delegate from Fort Dodge, Iowa, who had walked 150 miles to reach a railroad to bring him to Chicago.

Described as the largest auditorium in the United States, the Wigwam, 180 by 100 feet, was built on the southeast corner of Lake and Market Streets. Intended as a prototype of other wigwams, large and small, throughout the country (at least in certain parts of the country) and modeled after the Crystal Palace in New York, the structure was basically three wooden sides anchored to a brick wall. The delegates were seated in oblique rows, half facing the audience, on a large stage divided by a dais. The secretaries worked immediately in front of the chairman and on the far edge of the platform was space for the press. Facing and below the stage was a series of wide landings sloping upward. Above all was a three-sided gallery. For \$7,000 the Republicans had erected, in a remarkably short time, a building which had good lighting, excellent acoustics, wide aisles and exits and, most significant, space for 10,000 people. A new dimension would be added to this convention, the contagious nature of mass enthusiasm.

The raw interior was decorated with bunting, rosettes, evergreens, a gilt eagle, abstractions of Truth and Justice, and portraits and busts of American statesmen.

Although the convention would not begin until Wednesday, by Sunday, three persons who would play a large part in what happened were in Chicago and at work.

In the elegant Richmond House, armed with confidence and apparently vast sums of

money, a New Yorker dispensed champagne and cigars. This was Thurlow Weed, who wanted to nominate William H. Seward. In the Tremont House, equipped with the influence of a great newspaper, another New Yorker gave out predictions and suggestions. This was Horace Greeley, who wanted to nominate anybody but Seward—preferably Edward Bates, but anybody but Seward. Also in the Tremont House, utilizing the advantages of geography, the unique appeal of his candidate, an understanding of men and politics, and a flexible conscience, a portly judge from Bloomington, Ill., worked arduously to accomplish his mission. This was David Davis, who wanted to nominate Abraham Lincoln. Around Davis, the self-proclaimed and unofficial leader, dedicated to the extent of personally footing the bill and bribing of the proprietor for rooms, was a group of Lincoln's friends and colleagues—Norman B. Judd, Jesse K. DuBois, Leonard Swett, Jesse K. Fell, Ward Hill Lamon, Orville H. Browning, Gustave Koerner, and others. There is no lack of men willing to accept credit for nominating Lincoln.

On Monday, the campaign clubs were parading the decorated streets; a dozen railroads were bringing more thousands to jam the city; there was an abundance of fireworks, cannon, oratory, and occasions for another parade and more noise. For example, the early hours of Tuesday were shattered by the reception given the Pennsylvania delegation; 600 strong, including 2 bands, all traveling in the interests of a protective tariff and Simon Cameron, and through the courtesy of Col. Thomas A. Scott and the Pennsylvania Railroad.

Weed had noted the size of the Wigwam and the New York contingent required 13 cars to transport 1,000 highly vocal, aggressive, confident men, including the heavy-weight champion and a remarkable reporter, wise in the ways of conventions. He wrote that the New Yorkers could "Drink as much whisky, swear as loud and long, sing as bad songs, and 'get up and howl' as ferociously as any crowd of Democrats you ever heard or heard of."

But from the small towns and farms of Illinois came the greatest number of visitors. The word had spread; the railroads had cooperated; and thousands of Illinoisans jammed the hotels, slept on billiard tables, cheered for a man they knew, and gaped at the Wigwam and the rival attraction displayed outside, ominous in its connotations. A bowie knife, 7 feet long, weighing 40 pounds, symbolized how far men from Virginia and Wisconsin were growing apart. A sharp clash in Congress had brought a challenge, acceptance, and a choice of knives for weapons.

By 11:30 on Wednesday morning, the ticketholders had been admitted, and this was the scene as the doors were thrown open: "Three doors about 20 feet wide each, were simultaneously thrown open, and three torrents of men roared in, rushing headlong for front positions. The standing room, holding 4,500 persons, was packed in about 5 minutes. The gallery, where only gentlemen accompanied by ladies were admitted, and which contains nearly 3,000 persons, was already full. \* \* \* Ladies to accompany gentlemen were in demand—schoolgirls were found on the street, and given a quarter each to see a gentleman safe in. Other girls \* \* \* were much sought after as escorts. One of them being \* \* \* offered half a dollar \* \* \* excused herself by saying she had already taken two men in at each of the three doors." A woman carrying a basket of washing and a souvenir-selling Indian squaw were among other escorts noted.

Edwin D. Morgan, of New York, national chairman, opened the convention at 12:10. David Wilmot, of Pennsylvania, was made temporary chairman; and after the customary speech, the routine of organization began, with many of the delegates noticeably reluc-

tant to begin work. By 2 o'clock, when the convention adjourned, little had been done, largely because the Chicago Board of Trade had invited the delegates to an excursion on Lake Michigan, thereby setting off a series of resolutions, cheers, self-righteous reminders of business to be done, and parliamentary tangles which led nowhere.

The delegates reconvened at 5:15 with George A. Ashmun, of Massachusetts, as permanent chairman. A select committee reported that the board of trade had informed them that the steamer would leave in an hour and suggested that the convention could meet on deck and use the cabins as caucus rooms. Another lake became involved when Judd presented Ashmun with a gavel made from Commodore Perry's flagship and suggested that the convention motto be: "Don't give up the ship." In November they could further quote by wiring Washington, "We have met the enemy, and they are ours."

Ashmun's acceptance speech contained the required reference to the harmony among the delegates. The cynical observer commented that "his hearing is deplorably impaired." Certainly he could not have been among the Seward men where the mildest description of Horace Greeley was "damned old ass."

A committee on resolutions was appointed and the convention adjourned until 10 o'clock Thursday. The important events of Wednesday obviously did not take place before 10,000 people.

On Thursday morning, the Seward backers marched in confident splendor behind a band playing "Oh, Isn't He a Darling." Opposite the Tremont House three cheers for Seward were given for the benefit of Horace Greeley and the adherents of the man who was emerging as their chief rival, Abraham Lincoln.

In the Wigwam the Seward men filed into the favored positions they had occupied the day before. Gilmore's band from Boston entertained the packed house, before Ashmun opened business by clearing the stage and finding room for the delegates.

The first clash of the convention was a successful test of Seward strength. The majority report from the rules committee called for a majority of all the States to nominate; the Seward bloc insisted that the figure should be a majority of those actually present. Knowing their early strength and anxious for a quick decision, the Seward men succeeded in sending the report back to committee and getting their figure, 233, established as the total necessary for nomination.

The credentials report brought heated words. A Texas delegation, with a distinct Michigan and Seward flavor, was challenged. This raised the question of the validity of the delegations from Virginia, Kentucky, Maryland, and the District of Columbia. Wilmot charged that no Republican organization existed in these States. The Border State men replied that they were the ones who had really suffered for the cause. Further, they were not attending the convention as Republicans, not under the banner of the People's Party as was a part of Pennsylvania. Charles Armour of Maryland pronounced dramatically: "We are unpurchased, and unpurchaseable. And we tell Pennsylvania to put that in her pipe and smoke it." This question was also referred to committee, and again New York prevailed when all the delegations were admitted, thereby making it possible for Virginia to cast more votes for Lincoln's nomination than did Illinois.

The afternoon session began at 3:15. Again the Wigwam was jammed and outside were packed 20,000 more who were placated by speakers sent out from the hall.

The official record is at times a most confusing document. Resolutions were put and

then lost sight of, at times no one was certain of the question, and occasionally the reporter admitted frankly that he could not hear what had been said. There are also enough instances of interruptions, hootings, and laughter, and rudeness to make it obvious that the convention on occasion must have been nearly chaotic.

The confusion rose to a crescendo on the afternoon of May 17. First, there was the question of the platform. Joshua Giddings of Ohio rose to speak. David K. Carter, also of Ohio (a hopelessly divided delegation), insisted on shutting off discussion, but no motion to adopt the platform had yet been made nor had copies of the resolutions been distributed. The crowd began to shout for Giddings; aids began handing out copies. In the disorder Carter was voted down; questioned the votes; and was voted down again.

When Giddings could be heard he asked only that the second section of the platform be amended to include the words of the Declaration of Independence. In the debate, Carter rudely referred to "this amendment and the gas expended upon it," and Eli Thayer remarked that he believed in the Ten Commandments but he did not necessarily want them in the platform. The amendment was voted down. The old man rose and said: "I will detain this convention no longer. I offer this because our party was formed upon it. It grew upon it. It has existed upon it, and when you leave out this truth, you leave out the party." Then, the observer continued, "the old man quickly rose, and made his way slowly toward the door. A dozen delegates begged him not to go. But he considered everything lost, even honor. \* \* \* And now the Declaration of Independence had been voted down. He must go." But at the New York delegation Giddings was stopped and "comforted by assurances that the Declaration would be tried again."

George W. Curtis and William M. Evarts, New Yorkers, made eloquent appeals. Curtis, moving a resolution substantially the same as Giddings', asked the convention "Whether they are prepared to go \* \* \* before the country as voting down the words of the Declaration of Independence." Frank Blair of Missouri made a point of order to reverse a decision of the Chair, the amendment was put and carried. Giddings then, according to one recollection, threw his arm around Curtis and said, "Thank God, my boy, you have saved the Republican Party."

By holding his coat tails, Gustave Koerner prevented John A. Andrew of Massachusetts from rising and launching a debate on another section, and by 6 o'clock the platform was passed. The convention entered into a "transport of enthusiasm." "A herd of buffaloes or lions could not have made a more tremendous roaring."

Goodrich of Minnesota, a Seward State, moved to adjourn, but hearing cries for "Ballot! Ballot!" he quickly withdrew the motion and moved instead that "we now proceed to ballot for a candidate for the Presidency." Before there was a vote the Chair announced that the "tally sheets had not been prepared, and that it would subject the clerks to great inconvenience to proceed to a ballot at that time." Another source states that the announcement was that the sheets "would be ready in a few minutes." In any event, before Goodrich's motion was acted upon, Benjamin Eggleston of Ohio moved to adjourn. Another Buckley, R. M. Corwine, moved to ballot; and the record breaks down to the simple statement: "Great disorder and cries of Ballot, Ballot." Then Carter, accurately described as being "more frequent than eloquent" in the convention, got the floor and said: "I call for a division of ayes and nays, to see if the gentlemen want to go without their

supper." The record covers the events of the next few minutes with the words: "On motion, the convention adjourned." There is no record of the vote that ended what might have been Seward's day.

By 8 o'clock Friday morning the streets were full; and soon after 10, when the hall was opened, the Wigwam was again jammed. The mob outside would depend for news upon an observer stationed at the skylight and a chain of men to relay the information to the edge of the roof where it would be shouted to the crowd below.

In the audience, however, there was a difference, significant and of portent. On Wednesday and Thursday the Seward men had marched to the Wigwam and taken a favorable position inside. On this morning of decision, however, the march ended abruptly for their seats were taken, and there was nothing that many of them could do but join the throng outside. There is a recurrent story, supported by a host of recollections, that on Thursday night one, or some, of the Lincoln managers, Ward Hill Lamon or Jesse K. Fell, obtained 1,000 extra tickets, had signatures forged, and distributed them complete with instructions, and two cheerleaders.

An observer could also have noted the placement of the State delegations, an arrangement in the hands of Judd and Joseph Medill of the Chicago Tribune. New York was at the far end of the platform, surrounded only by delegations solidly for Seward. The crucial Pennsylvania delegation was seated at the opposite end of the stage, flanked by Illinois. If enthusiasm is contagious, let it infect the right parties, was apparently the thought.

When the convention opened, five men had more than token or complimentary support. In addition to Seward, they were Lincoln, Simon Cameron, S. P. Chase, and Edward Bates. By Wednesday night some observers could recognize a rapidly rising tide for Lincoln; others saw it but still gave him little chance; and late Thursday night, Horace Greeley was resigned to the inevitable and wired his paper that nothing could prevent Seward's nomination.

The balloting began at noon and what followed has been described as something requiring "rather the talents of a hog caller than those of party delegates. It was a tournament of noise, a colossal contest of yelling between the followers of Lincoln and Seward." William Everts, in the short statement then customary, nominated Seward, and the applause was only "enthusiastic." When Judd named Lincoln, the "response was prodigious, rising and raging far beyond the Seward shriek." One supporter shouted, "Abe Lincoln has it by the sound now, let us ballot." The usually staid Stephen T. Logan reportedly announced: "Mr. President, in order, or out of order, I propose this convention and audience give three cheers for the man who is evidently their nominee." The Seward men did not accept the challenge until after their man had been seconded by Michigan and Wisconsin. Murat Halstead described the effect:

"As all the fiends from heaven that fell  
Had pealed the banner cry of hell.

"Hundreds of persons stopped their ears in pain. The shouting was absolutely frantic, shrill and wild. No Comanches, no panthers ever struck a higher note, or gave screams with more infernal intensity \* \* \* nothing was to be seen \* \* \* but \* \* \* a black mighty swarm of hats flying with the velocity of horns over a mass of human heads, most of the mouths of which were open. \* \* \* The wonder of the thing was, that the Seward outside pressure should, so far from New York, be so powerful."

"Now the Lincoln men had to try it again, and when Delano of Ohio seconded the nom-

ination, the uproar was beyond description. Imagine all the hogs ever slaughtered in Cincinnati giving their death squeals together, a score of big steam whistles going \* \* \* and you conceive something of the same nature. I thought the Seward yell could not be surpassed; but the Lincoln boys were clearly ahead, and feeling their victory \* \* \* took deep breaths all round, and gave a concentrated shriek that was positively awful, and accompanied it with stamping that made every plank and pillar quiver.

At the close of the first ballot Seward had 173½ votes, 70 of them coming when Everts had mounted his chair, waited dramatically for order, and cast the solid New York vote for Seward. Lincoln was far ahead of the rest with 102 votes, which was about where his managers wanted him to be. The plan was to stop Seward on the early ballots and by an impressive, steadily increasing show of strength, align the opposition behind Lincoln. The votes cast for Lincoln, Cameron, Bates, and Chase could easily nominate any one of the four. The trick was to unite the strength behind one man. To that end Davis and his coworkers had labored with persuasion, fact, histrionics, and, almost certainly, with unauthorized promises in the pivotal vineyards of the Pennsylvania, Indiana, and New Jersey delegations. The argument they repeated was simple, practical, and double-barreled. Seward could not carry these States, and probably not the Nation. Certainly with him State tickets would lose. Their own candidates could do better locally, but not so well as Lincoln nationally. It was the second choice strategy spelled out by Lincoln in March.

In the tension preceding the second ballot, "the partisans of the various candidates were strung up to such a pitch \* \* \* as to render them incapable of patience, and the cries of 'Call the roll' were fairly hissed through their teeth." When the complimentary votes of the first ballot began to switch to Lincoln, the New Yorkers started as if an Orsini bomb had exploded. From New Hampshire came 2; from Vermont the entire block of 10. Then Pennsylvania, which had previously given 47½ votes to Cameron and 4 to Lincoln, announced that her delegation now voted 1 for Cameron and 48 for Lincoln. Weed paled as he heard the change in the vote of Pennsylvania, starting the vast auditorium like a clap of thunder.

The vote at the end of the second ballot stood: Seward, 184½; Lincoln, 181. Far behind were Bates with 35 and Chase with 42½. Lincoln had gained 79 votes, Seward only 11, and the trend was plain.

Hundreds of informal tally sheets recorded the inexorable swing to Lincoln on the third ballot. Conceding defeat, Weed sent an emissary to Greeley with a desperate proposal—hold on for Bates, and if the third ballot produced no nomination, the Seward men would rally behind the Missourian. But while they spoke Seward backers were deserting in droves.

It was now a question of stopping Lincoln, and when his total stood only 1½ votes short of the nominating figure of 233, it was obvious what would soon happen. The ubiquitous Halstead described the next few minutes:

"I looked up to see who would be the man to give the decisive vote. \* \* \* In about 10 ticks of a watch Carter, of Ohio, was up \* \* \* and everybody who understood the matter at all, knew what he was about to do. He is a large man with \* \* \* an impediment in his speech \* \* \* and \* \* \* had been quite noisy during the \* \* \* convention but had never commanded, when mounting his chair, such attention as now. He said, 'I rise (eh), Mr. Chairman (eh), to announce the change of four votes of Ohio from Mr. Chase to Mr. Lincoln.' The deed was done. There was a moment's silence.

The nerves of the thousands, which through the hours of suspense had been subjected to terrible tension, relaxed, and as deep breaths of relief were taken, there was a noise in the wigwam like the rush of a great wind, in the van of a storm and in another breath the storm was there. There were thousands cheering with the energy of insanity.

The observer on the roof shouted, "Old Abe. Hallelujah" and the salute was fired, picked up by the whistles of the steamers on the lake, and made completely inaudible by the roar of voices. Only by the puffs of smoke drifting by the open doors did those inside know that a cannon was being fired. The delegates were wildly waving State placards torn from standards, except in the New York delegation where Everts was saying ruefully, "Well, Curtis, at least we saved the Declaration of Independence."

When he could be heard, Carter announced that Ohio's vote was now unanimous for Lincoln, State after State clamored for recognition to correct or change votes to Lincoln. During this procedure, a huge picture of Lincoln was brought in "and held up before the surging and screaming masses." When the roll was completed it was announced that Lincoln had 364 of the convention's 466 votes.

Everts graciously and eloquently moved that the nomination be made unanimous, but the official record does not show that this motion was ever voted. Apparently it was lost in the excitement of seconding speeches, motions for adjournment, moves for balloting for Vice President, and comments from Judd and Browning.

What happened in Chicago between noon and 1:30 on Friday, May 18, was not, in a Lincoln phrase, "the result of accident." Numerous factors, of varying degrees of complexity, were involved. These combined to create a situation extremely favorable for Lincoln's nomination. Seward was to radical; Bates was too conservative; Chase and Cameron were opposed even within their States of Ohio and Pennsylvania. Only Lincoln had availability. Only Lincoln gave promise of winning electoral votes without losing control of State legislatures where U.S. Senators were named. Add to this, Lincoln's almost preternatural political talents, his record, his identification with free labor, the site of the convention, and the dedicated, practical, and amoral labors of Davis and others in Chicago, and a case could be made for the statement that it would have been more surprising had the convention named anybody else.

But in Chicago men knew only that something had changed, that something intangible and important had been established, that a corner had been turned and things would never be quite the same again.

In the Tremont House a man shouted: "Talk of your money and bring on your bullies with you. The immortal principles of the everlasting people are with Abe Lincoln. \* \* \* Abe Lincoln has no money and no bullies, but he has the people, by God. \* \* \* Go to the devil—what do I want to eat for, Abe Lincoln is nominated \* \* \* and I'm going to live on air—the air of liberty." And this was one of thousands," the reporter concluded.

Along the Fort Wayne and Chicago heading east that night, "At every station \* \* \* until after 2 o'clock, there were tar barrels burning, drums beating, boys carrying rails; and guns, great and small, banging away. The weary passengers were allowed no rest, but plagued by the thundering jar of cannon, the clamor of drums, the glare of bonfires and the whooping of the boys, who were delighted with the idea of a candidate for the Presidency, who 30 years ago split rails on the Sangamon River—classic stream now and forevermore—and whose neighbors named him 'honest.'"

### THE PROBLEM OF DETECTING NUCLEAR UNDERGROUND TEST EXPLOSIONS

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized.

Mr. HOLIFIELD. Mr. Speaker, for 18 months, representatives from the United States, Great Britain, and the U.S.S.R. have been negotiating at Geneva, Switzerland. They have been exploring the possibility of a treaty agreement which would prohibit future testing of nuclear weapons.

Because of the present technical difficulty of conducting tests in far off space, and the advanced capability for detecting tests which occur in near space and the atmospheric area, the main discussion has been on the problem of detecting underground tests.

The Joint Committee on Atomic Energy deemed it to be in the public interest to explore the technical aspects of this problem. Representative MELVIN PRICE, chairman of the Subcommittee on Research and Development, and Representative CHET HOLIFIELD, chairman of the Subcommittee on Radiation, conducted joint hearings from April 19 to 22, 1960.

The purpose of the hearings was to place all known technical facts regarding nuclear test detection and identification before the Congress and the public. We specifically excluded from testimony the policy of whether a test cessation was desirable or undesirable. Our mission was to collate and summarize pertinent testimony from experts in the fields of seismology, geography, electromagnetics, and weapons effects, as related to detection and verification through inspection techniques.

It was appropriate to specialize on the phenomena of underground tests, as this poses the greatest and most urgent problem area at this time. Of additional concern is the problem of detecting nuclear tests in high altitudes and in space, which the hearings also covered. A great deal of research and development is likewise needed in these areas before we will have any assurance that a control system will work.

We were careful to select the witnesses who had been most active and expert in conducting the underground nuclear tests in Nevada and the chemical underground tests in Louisiana. We also selected a balanced group of scientists with opposing views as to the desirability of conducting further tests, so we would avoid the charge of bias. For instance, it is well known that Dr. Edward Teller, Dr. Harold Brown, and others favor continued testing. It is also well known that Dr. Hans Bethe, Dr. Richard E. Roberts, Dr. Jay Orear, and Dr. Harold Urey are outspoken opponents of further nuclear testing.

All of these witnesses and other expert witnesses from the commercial world of oil exploration, mining, and electro-dynamics, were allowed complete freedom of expression during the hearings. They were allowed to challenge opposition testimony and invited to submit additional technical papers.

It should be understood that the Joint Committee on Atomic Energy is not charged with making or reviewing treaties in the nuclear weapons testing field. The executive branch of Government and another committee of Congress has this responsibility.

The Joint Committee on Atomic Energy, however, is peculiarly fitted by experience and staff to develop and make known to departments of Government, the Congress, and the people the scientific facts related to atomic energy. The Joint Committee has carried out this type of function in various hearings during its existence. Extensive hearings on the effects of fallout from nuclear-weapons tests, the biological and environmental effects of a nuclear war on earth's population and environment, and the problem of radioactive waste disposal are instances of studies which are used as valuable textbooks in our educational, industrial, and scientific fields.

We realize collections of facts are, or at least, should be, used for the formation of policy. It is true, however, unless facts are known, the formulation of policy in the political and diplomatic fields may lack the basis for understanding or justification.

It is understandable that interpretation of the facts may vary the effect of newly discovered facts may not be welcome to negotiators who have obligated themselves to a preconceived position or objective.

We note the acceptance by the United States and the United Kingdom negotiators of additional data developed by the Hardtack II series of tests in the fall of 1959 and the rejection of this data by the negotiators of the U.S.S.R. Scientific facts, nevertheless, are cold and dispassionate realities once they are established. They cannot be eliminated by refusing to recognize them. New scientific facts do not always lend themselves to the support of political or diplomatic positions, however desirable those positions may be to their advocates.

The negotiations on nuclear-tests cessation have dragged along for 18 months in Geneva. The debate has been on a mixture of scientific and political problems that seem to be impossible of untangling. The scientific part of the problems have been based mainly on disagreement as to the capabilities for detecting and identifying hidden underground nuclear tests.

The problems of inspection of suspicious events, the number of allowable inspection trips, procedures, drilling operations, logistical problems of supply and communications, and so forth, are, of course, most difficult. These problems have never been resolved, and in most instances they have been ignored.

In view of the lack of understanding and the scarcity of reliable information in this field, the Joint Committee on Atomic Energy believed it was in the public interest to explore the subject matter. We reasoned it was important to collect the information from reliable sources and publish it so we could properly relate it to our diplomatic objections.

What were the most important facts established and in general agreement by and between our witnesses?

First, it was the unanimous opinion of all witnesses that a vigorous and sustained program of research and development is necessary to improve our instrumentation and our techniques of detection, identification, and inspection of nuclear explosion tests. The witnesses agreed that the Berkner panel report of over 1 year ago to the President had not been properly implemented in this regard.

The so-called Berkner Panel, consisting of a number of eminent American scientists appointed in December 1958, by Dr. Killian, the President's special assistant for science and technology, recognized the original position taken by our scientists in 1958 on test detection capability was based on inadequate data and was wrong by at least a factor of four. They recommended an aggressive program or research to develop better detection devices and better techniques.

Our witnesses testified these recommendations had not been carried out by the President.

In March 1959, the Berkner Panel recommended a research and development program for 2 years which would cost \$52.8 million. Testimony showed that over 1 year later, only \$8.5 million had been allocated, and of this, only \$5 million obligated.

Testimony also reflected that although \$60 million had been requested for the research and development program by those in the Defense Department having responsibility for its success, these urgently needed funds were not included as a line item in the Department of Defense fiscal year 1961 budget. To be available, the money would have to be taken from other projects or sources.

Our committee brought these facts out in our hearings last month. We made available to the Executive Department—through the State Department, the Defense Department, and the Atomic Energy Commission—copies of the hearing transcripts and, as early as May 2, 1960, preliminary copies of our summary analysis of the hearings. We notified them, on May 5 and 6, 1960, our summary would be made available to the press on Saturday, May 7, for Monday, May 9, release.

On May 7, 1960, the President hastened to announce that approximately \$66 million would be required in fiscal year 1961 for implementing the Berkner Panel recommendations for improving our detection capability. We approve this recognition on his part and can only speculate why he did not recognize it as early as mid-1959, when it was brought out by the panel.

The delay is inexcusable in view of the known deficit of detection capability, and in view of its importance in connection with the nuclear test cessation negotiations.

I will also be interested in seeing if, in addition to the delayed recognition, the President will now direct or authorize the Defense Department to request any of these funds as a line item supplement-

tal appropriation, or must the money come from other also needed projects.

Second. The testimony of both Dr. Hans Bethe and Dr. Edward Teller, established the fact that the cowboy series of chemical explosion tests in Louisiana had proven the "decoupling" theory. This new technique in reducing the tell-tale seismic vibrations of an underground explosion by factors up to 300, was admitted to be a fact by all the scientists present. This is accomplished by exploding a chemical or nuclear device in an underground cavity rather than in close proximity to surrounding earth.

This is a most important scientific fact. It casts strong doubt on the theory of presently detecting tests of 20 to 30 kilotons. It destroys, for the present, the basis of our test cessation proposal if we relate it to our capability of detecting fully or partially decoupled 20-kiloton tests by seismic recordings of 4.75 magnitude or higher.

If the Soviets want to test tactical weapons of 1 to 10 kilotons, they can do so with impunity, without muffling under the Geneva control system as presently planned. Even with the recommended improvements in the Geneva system, it is going to be hard to identify unmuffled shots below 5 kilotons.

But with decoupling or muffling, it makes the problem of detection and identification 10 to 300 times more difficult. With full decoupling—muffling—a 10-kiloton device can be made to register about 30 tons. Even with partial decoupling a 10-kiloton shot can be made to register about 300 tons. This could be accomplished in a hole of approximately 115 feet in diameter.

There was testimony that about 250 underground cavities have been constructed in the United States alone for storage of petroleum products ranging in size up to about 218 feet in diameter—200,000 cubic yards. Larger cavities have been constructed for brine production in salt domes. Since the U.S.S.R. has salt domes and oilfields, it is prudent to assume similar cavities exist in the U.S.S.R., capable of being used for decoupling of nuclear underground tests.

The seismic recordings resulting from these low energy explosion effects change completely the distances needed between detection stations and they raise tremendously the number of unidentified seismic events.

We have been discussing with the Soviets the location of 21 detection stations in the U.S.S.R. They have not agreed to this number. Dr. Bethe testified instead of just 21 stations, we would now need 600 additional unmanned stations because of the new decoupling technique—if we wanted to detect a 20 kiloton, fully decoupled, explosion.

Dr. Bethe later changed the figure, by letter to the Joint Committee on Atomic Energy, to an estimate of 200. His letter will be printed in full in the hearings. A notation of his new estimate number was reported in our summary-analysis.

Dr. Richard E. Roberts of Carnegie Institute testified he believed at least 125 stations would be needed. In either event, the change in numbers of detect-

ing stations in the U.S.S.R. is substantial and must become a serious fact for diplomatic consideration.

Third. The scientific fact was established without contradiction that a whole new field of tactical nuclear weapons could be developed and proven feasible by nuclear testing up to a size of 20 kilotons. The committee did not consider one way or the other the desirability of developing additional low-yield nuclear tactical weapons. We were only concerned with the scientific facts relating to the problems of detecting and identifying tests of 20 kilotons or less and their technical significance in weaponry.

Fourth. The cost of installing a control system and developing improved seismic and other detection devices to meet the problem of cheating, was not within even a near area of agreement.

The estimates ranged from around a billion dollars to 5 billion or more dollars. The time period for such development ranged from 2 to 5 years, based on program priority and dollar support of the effort.

It was also pointed out that the art of concealing tests—of cheating—offered opportunities for improvement based on effort and dollars expended in that direction by a potential violator.

In conclusion, let me assure you these facts are not to my personal liking.

I cannot sweep them under the rug because of my hopes for a genuine program of disarmament and my fervent desire for peace—a real peace and not a "peace in our time," arrived at because of wishful thinking, ignorance of existing facts, or political expediency.

Mr. Speaker, under unanimous consent, I include the summary-analysis of our hearings herewith as part of my remarks:

#### SUMMARY-ANALYSIS OF PUBLIC HEARINGS ON TECHNICAL ASPECTS OF DETECTION AND INSPECTION CONTROLS OF A NUCLEAR WEAPONS TEST BAN

##### CHAPTER I. INTRODUCTION

The possibilities and problems of detection and identification of nuclear test explosions, as a part of a test ban control system discussed at Geneva for the past 18 months, have become questions of great national and international importance. The summit meetings beginning May 16, 1960, and followup discussions at Geneva and elsewhere in succeeding weeks and months, will undoubtedly consider these matters extensively.

A large part of the basis of a control system to support a test ban treaty or international agreement depends on technical data of a rather complicated nature. Such technical information can and should have a profound effect on the establishment of an adequate control system. For example, the report of the original Conference of Experts at Geneva in July-August 1958, on which the test ban negotiations are based, has been found to be highly dependent upon data derived from the single U.S. "Rainier" underground test shot in September 1957 which subsequent tests have proved to be inadequate.

In order to clarify the technical basis of a test ban control system, the Joint Congressional Committee on Atomic Energy, through its Special Subcommittee on Radiation and Subcommittee on Research and Development, held 4 days of public hearings on April 19, 20, 21, and 22, 1960. It was

intended that the hearings would help dispel many of the confusing reports and conflicting statements as to technical problems and possibilities which may or may not exist as to means of detection and identification of nuclear tests.

The hearings covered the technical aspects of nuclear test detection and control, including the basis of the original proposed Geneva control system of 180 stations; analysis of the basis for improvement of the Geneva system under present knowledge; consideration of means of concealment and muffling of tests; discussion of basis of "on-site" inspections; consideration of detection and identification of nuclear tests in outer space; discussion of technical significance of further weapons development through clandestine tests and review of research and development programs aimed at improving capabilities for detection and identification of nuclear tests.

The subcommittee made every effort to emphasize the technical aspects of the test ban system, and to avoid discussions involving general policy, political, and philosophical aspects of disarmament and a test ban. Naturally, in the discussion of control systems questions of policy inevitably arose. However, insofar as possible, the discussion was confined to the technical aspects of such questions.

In accordance with past practice in the fallout hearings, the subcommittees selected a representative group of the leading scientists and technical experts in this field. Each witness was selected on the basis of his personal competence and his degree of knowledge and experience in the individual topics on which he testified. Many of the witnesses were members of or consultants to the technical delegations to the conferences and panels discussed in these hearings. Others were selected for their skills and experience in the field application of the techniques discussed throughout the hearings. A list of all witnesses is attached as appendix I. A detailed biography of each witness is included in the print of the complete hearings.

The Joint Committee in its preparation for, and conduct of, the hearings received the cooperation of the Atomic Energy Commission, the Department of Defense, and particularly the Air Force Technical Applications Center, and various individual scientists and scientific organizations of widely differing views.

One of the highlights of the series of hearings was a panel discussion on the entire question of the feasibility and capability of test ban control systems. The panel members were a selected group from the scientific community whom the committee felt represented the most complete spectrum of opinion on these vital questions. It was considered by the committee that the bringing together of such a group would tend to pinpoint the major conflicts of opinion which exist today concerning the problem of providing an adequate control system. The panel consisted of the following scientists and engineers:

Dr. Roland Beers, seismic consultant, Troy, N.Y.

Dr. Hans Bethe, Physics Department, Cornell University, Ithaca, N.Y.

Dr. Harold Brown, Lawrence Radiation Laboratory, Livermore, Calif.

Dr. Dean S. Carder, Chief Seismologist, U.S. Coast and Geodetic Survey, Washington, D.C.

Dr. Alvin C. Graves, Los Alamos Scientific Laboratory, Los Alamos, N. Mex.

Dr. Richard Latter, Rand Corp., Santa Monica, Calif.

Dr. Jack E. Oliver, Lamont Geological Observatory, Columbia University, New York, N.Y.

Dr. Jay Orear, Physics Department, Cornell University, Ithaca, N.Y.

Dr. Richard E. Roberts, Carnegie Institution, Washington, D.C.

Dr. Carl F. Romney, Headquarters, USAF, Air Force Technical Applications Center, Washington, D.C.

Dr. Edward Teller, Lawrence Radiation Laboratory, Livermore, Calif.

Dr. Harold Urey, University of California, Scripps Institute of Oceanography, La Jolla, Calif.

In order for the layman to understand the technical aspects of a control system, it is necessary that certain technical terms and concepts be defined in layman's language. To assist the layman a number of technical terms and concepts have been defined and appear in appendix II. To further assist in reviewing the summary-analysis certain key definitions and concepts will be discussed below.

The nub of the problem of detection and identification of underground nuclear tests is, first, to detect the event on a seismograph; second, to distinguish the difference in the recorded signature of a nuclear event and the recorded signature of a natural earthquake. The following definitions may prove helpful in a consideration of this problem:

#### 1. Yields of nuclear weapons

(a) Kiloton: Nuclear explosive energy release equivalent to 1,000 tons of the chemical high explosive, TNT. The nuclear bomb detonated at Hiroshima, Japan, in World War II was the equivalent in size to 20 kilotons of TNT.

(b) Megaton: Nuclear explosive energy release equivalent to 1 million tons of the chemical high explosive, TNT.

(c) Low yield weapons: Those nuclear weapons ranging in yields of approximately 20 kilotons and below. This class is often referred to as "tactical weapons."

(d) High yield weapons: Those nuclear weapons ranging in yields of approximately 50 kilotons and more, to include megaton yields. This class is often referred to as "strategic weapons."

(e) Fractional kiloton weapons: The term applied to those "tactical weapons" of a yield which is a fractional part of 1 kiloton. This class of weapons is rated in yield ranges of tons rather than kilotons.

#### 2. Detection instruments

(a) Seismograph: An instrument for detecting and recording small vibrations in the earth's crust. The detector portion usually consists of a mass suspended from a frame either by springs or as a pendulum, in such a manner as to tend to remain in one position while the earth-mounted frame moves with the earth. The relative motion of the frame and mass is usually magnified and recorded as a seismic disturbance either natural or manmade. Various types of seismographs exist, including seismographs for long periods, intermediate periods, short periods, and high frequency.

(b) Magnetometer: An instrument for measuring the natural magnetic field of the earth to discover any distortion in this field by manmade ferrous articles, equipment, pipes, etc.

(c) Electromagnetic induction detectors: An instrument which radiates a low frequency electromagnetic field and is sensitive to any distortion in this field due to the presence of conducting material such as iron or copper pipe, wire, landmines, etc.

#### 3. Types of rock or earth considered in these hearings in which nuclear tests or earthquakes may take place

(a) Nevada tuff: A weakly cemented, rather crumbly rock, formed from volcanic ash. The underground nuclear explosions of Hardtack II, as well as the Rainier explosion, occurred in this rock. Experiments indicate the explosions in this rock produce stronger seismic signals than are produced

by the same size explosions in salt or granite.

(b) Granite: A natural igneous rock formation of visibly crystalline texture. It is very hard and is believed to be more elastic to nuclear detonations than Nevada tuff, resulting in smaller seismic signals.

(c) Salt: A colorless or white crystalline compound, chemically designated as sodium chloride, occurring abundantly in deposits in the earth in solid form. It is similar to granite in relation to nuclear detonations.

(d) Limestone: A rock consisting chiefly of calcium carbonate. It is sometimes formed by chemical precipitation, but chiefly by accumulation of organic remains such as shells and coral.

#### 4. Decoupling (muffling), coupling, and tamping

(a) Decoupling: The process of reducing the size of the seismic signals from an underground explosion by detonation of the explosive in a large hole deep underground.

(b) Coupling: In this report, coupling refers to that fraction of the total energy released in an underground explosion which is transformed into seismic waves in the earth. The greater the coupling of a particular explosion the larger will be the seismic waves and the easier it will be to detect by seismographs at some distance from the explosion.

(c) Rainier coupling: The Rainier shot (1.7 kilotons) conducted 900 feet underground in intimate contact with Nevada tuff on September 19, 1957, was estimated to have transmitted about 2 percent of its energy into seismic waves. This observed degree of energy transformation from the explosion to seismic waves in the earth (coupling) has been taken as a standard of reference for subsequent calculations of seismic signals generated by underground nuclear explosions.

(d) Tamped shot: An underground explosion detonated in close contact with the surrounding earth or rock so as to transmit to the earth or rock the largest possible fraction of its energy.

It was apparent to the subcommittees that there is a wide divergence in the degree of knowledge concerning test control systems. Moreover, much of the technical data concerning test control systems is drawn from purely theoretical calculations, while some have an experimental basis. Many of the "practical" aspects involving application of theoretical data have yet to be investigated on an extensive basis.

However, the hearings of the subcommittees did serve to narrow the differences of opinion as to certain scientific facts and judgments. Specifically, there was general agreement as to the following:

1. The Geneva control system of 180 stations will require augmentation and improvement to restore the capability for detection and identification of underground seismic events to the value of 5 kilotons estimated by the 1958 Conference of Experts (hereinafter Experts).

2. It is possible to increase the difficulty of detection and identification of underground seismic events by decoupling nuclear explosions by a factor of up to 300.

3. To establish a capability for the Geneva control system to detect and identify underground seismic events of yield equivalent to that of a 20 kiloton fully decoupled explosion, it will be necessary to increase greatly the number of stations and to improve the instruments and techniques of seismic detection.

4. A vigorous and sustained program of research and development is necessary to improve our instruments and our techniques of detection, identification, and inspection of underground nuclear explosion tests.

5. An increase in the number of stations in the Geneva control system, in order to lower the threshold of underground seismic

events which it can detect and identify, will result in a considerable increase in the number of unidentified events which may require inspection.

Certain differences as to scientific facts and judgments were also brought out. These included:

1. The degree and practicality of decoupling by means of large cavities;

2. The extent and practicality of further improvements in detection networks and devices;

3. The significance of further weapons development through clandestine tests.

The subcommittees were also impressed by the importance of the time factor in relation to nuclear test cessation. The United States has not tested any nuclear weapons since its Hardtack II series in the fall of 1958. It appears from the testimony that at least for the next several years it will not be possible to identify underground events whose seismic signals record the equivalent of a nonmuffled nuclear explosion of 20 kilotons or less, although they may be detected. Further, it appears that for this same time period it will not be possible to detect muffed tests of 100 kilotons or more set off deep underground in large cavities. Therefore, it seems that for the next several years and possibly thereafter there could be a race between improved means of detection and identification as against improved means of concealing and muffling nuclear tests.

#### CHAPTER II. SUMMARY

##### The experts' system

The system of 180 control posts recommended by the conference of experts, August 1958<sup>1</sup> (hereafter referred to as the experts) was designed primarily with the detection and identification of nuclear explosions underground, underwater, and in the atmosphere up to altitudes of about 30 miles. The conference concluded that by the methods of acoustic, seismic, and electromagnetic detection and nuclear debris sampling, supplemented in some cases by onsite inspection, there would be a fairly high probability of detecting and identifying nuclear explosions of 1 kiloton or more in the atmosphere up to altitudes of 30 miles. It was recognized that there were large areas over the oceans, particularly in the Southern Hemisphere, where the detection capability of the control system would be somewhat degraded as a result of the large distances between control posts.

For underwater explosions deep in open oceans the experts concluded that by means of the hydroacoustic, the seismic, and the nuclear debris-water sampling methods, nuclear explosions of 1 kiloton or more could be detected and identified with a fairly high probability.

The experts considered that the problem of detecting and identifying underground explosions is one of the most difficult, and that to a large extent it determines the characteristics of the network of control posts. They concluded that, by the seismic method alone, underground explosions within the continental areas of the world could be detected and located down to yields in the 1 kiloton to 5 kiloton range if the 180 control posts were established at intervals of 1,000 kilometers (600 miles) in the seismic regions and 1,700 kilometers (1,000 miles) in aseismic regions.

It was realized that the seismic method alone could not identify underground nuclear explosions. It was concluded that the seismic system could, however, identify

<sup>1</sup> Report of the conference of experts, dated Aug. 20, 1958, a copy of which is contained in the printed hearings to study the methods of detecting violations of a possible agreement on the suspension of nuclear tests.

about 90 percent of the earthquakes which produce seismic signals equivalent to an underground explosion of 5 kilotons or more under Rainier coupling conditions and a few percent of the earthquakes between 1 and 5 kilotons equivalent. This would leave annually a thousand or more earthquakes throughout the world between 1 and 5 kilotons equivalent (Rainier coupling) and about 100 earthquakes of 5 kilotons equivalent and above (Rainier coupling) which could be suspected of being nuclear explosions. The Soviets estimated the number above 5 kilotons equivalent as 20. Thus, the experts' report contains the estimate of unidentified events above 5 kilotons equivalent as 20 (U.S.S.R. estimate) to 100 (U.S.-U.K. estimate) on all continents annually. These numbers of unidentified events were subsequently found to be too low as a result of new seismic data from a later series of tests, Hardtack II. (On-site inspection is the best method known for identifying a seismic event which has been detected but not identified as either an earthquake or a nuclear explosion.)

The experts recognized the possibility that for underground nuclear explosions in rock media other than Nevada tuff, coupling to the earth might be larger or smaller by a factor of a few and hence such explosions might be either more or less difficult to detect.

In the case of nuclear explosions at high altitude and in space the 1958 Conference of Experts noted that various methods for detecting such explosions were possible—i.e., gamma rays and neutrons—but made no recommendations for including such techniques in the experts' system.

#### *Detection and identification of underground nuclear tests*

As a result of data from the Hardtack II series of underground nuclear explosions conducted by the United States after the 1958 Conference of Experts report, the following conclusions were made by the Berkner Panel:<sup>2</sup>

(a) The estimates of the experts concerning identification of underground nuclear explosions of 5 kilotons or more apply more accurately to yields of 20 kilotons or more.

(b) Estimates of the numbers of earthquakes equivalent to various nuclear yields below 20 kilotons must be revised upward by considerable amounts.

(c) The annual number of unidentified events above 1 kiloton equivalent would exceed that estimated by the experts by about a factor of 10.

In addition, subsequent theoretical predictions increased the estimated degree of decoupling (muffling) possible by firing nuclear devices in large underground cavities from a factor of 2 to 3 as agreed at the experts' conference up to a factor of 300. This was confirmed experimentally by the Cowboy series of small chemical explosions.

The Berkner Panel recommended in March 1959 an intensive program of research and development to improve methods of seismic detection. In addition they recommended the following specific immediate improvements to the Geneva system to restore the original capability of detection and identification estimated by the experts:

(a) Large arrays of up to 100 seismographs at each control post.

(b) Long-period seismographs at every control post.

<sup>2</sup> The Berkner Panel was a panel on seismic improvement consisting of a number of scientists under the chairmanship of Dr. Lloyd V. Berkner. It was appointed by the Special Assistant to the President for Science and Technology on Dec. 28, 1958. It reported its findings on Mar. 16, 1959, which were made public on June 12, 1959. The report is contained in the printed hearings.

(3) Seismographs in deep holes (thousands of feet).

(d) Unmanned seismic stations at spacings of 100 to 200 miles between the wider spaced control posts of the experts' system.

Technical working group II, consisting of technical experts from the United States, the United Kingdom, and the U.S.S.R. met in Geneva during November and December 1959 to reexamine the problem of underground tests and to attempt to reach agreement on techniques and instrumentation that might improve detection and identification of seismic events. The U.S. report to the technical working group II set forth worldwide earthquake statistics and criteria for identification.

Based on these statistics and criteria, preliminary calculations were made of the estimated annual number of continental seismic events in the U.S.S.R. and the number that would not be identifiable by seismic instruments.<sup>3</sup> It was calculated that about 100 naturally occurring seismic events per year occur in the Soviet Union above magnitude 4.75 of which an estimated 70 could not be identified as earthquakes by seismographs of the Geneva system.

A formula was then established for determining a quota of onsite inspections on the basis of 20 percent of all estimated earthquakes above magnitude 4.75 (100). An alternative basis was 30 percent of the estimated unidentified events above magnitude 4.75 (70). The quota obtained by either method was about 20 onsite inspections to be permitted annually in the Soviet Union and was contained in the United States February 11, 1960, proposal at Geneva.

During the hearings Dr. Richard Latter of the Rand Corp. presented for the first time a report evaluating the expected performance of the Geneva system in the U.S.S.R. This report using less rigorous criteria for identification of earthquakes, and applying these criteria only to events within 600 miles of each control post, where seismic data are more reliable, stated that the annual number of unidentified events in the Soviet Union would be 53.

This report covered the effect of increasing the number of seismic control posts in the Soviet Union from 21 to 30. If the 30 stations were installed, Rand estimated that only 9 earthquakes per year would remain unidentified at magnitude 4.75 (20 kilotons, Rainier coupling) and 36 unidentified events per year at magnitude 4.35 (5 kilotons, Rainier coupling). Rand concluded that such a system would essentially restore the capability estimated by the 1958 conference of experts. The Rand study did not take into consideration the effects of decoupling.

The estimated cost of the complete Geneva control system was reported by the Advanced Research Projects Agency of the Department of Defense to be \$1 billion in round numbers with an annual operating cost of about one-quarter of a billion dollars. A contractor study presented an estimate of \$1 to \$5 billion for installation of 22 stations of the Geneva system seismic network in the U.S.S.R. alone.<sup>4</sup>

#### *Means of concealing underground nuclear tests*

Seismic signals from underground nuclear tests can be reduced by decoupling in large holes deep underground. Witnesses agreed that decoupling factors of up to 120 were proven experimentally in Series Cowboy. They further agreed that an additional decoupling factor of 2½ between salt and tuff exists because of the difference in the

physical properties of these two materials. Finally, they were in agreement that these two factors combined resulted in an overall factor of 300 reduction in seismic signals from a decoupled shot in salt compared to a tamped shot in Nevada tuff. These decoupling tests were conducted in the fall of 1959 by the AEC in a Louisiana salt dome. Holes in diameter of 12 and 30 feet were used. These chemical explosions ranged from 20 to 2,000 pounds in size.

Deep large cavities can be washed in underground salt domes of which exist some 200 or more in the United States and an unknown number in the U.S.S.R. Holes can be constructed by conventional solution mining or leaching by continuously pumping fresh water or sea water into the cavity through a cased-drill hole and withdrawing the salt in a brine solution.

Witnesses testified that it would not be necessary to dig the large holes required for maximum decoupling (300 to 1). Smaller holes, comparatively, could reduce the seismic signal to a level which would be difficult if not impossible to detect. For example, Dr. Albert Latter testified that a decoupling factor of 30 could be obtained in a hole one-thirtieth of the optimum volume. Dr. Bethe disagreed and contended that a decoupling factor of 30 would require a hole one-tenth of the optimum volume for maximum decoupling. Since the optimum hole volume is 91,000 cubic yards (at a depth of about 3,000 feet) per kiloton, a decoupling of a factor of 30 would require excavation of about 3,000 cubic yards, according to Latter, or about 9,000 cubic yards according to Dr. Bethe.

The diameter of holes required to provide decoupling factors of 30 and 300 were calculated by Dr. Albert Latter for each of several sizes of explosions.

Testimony indicated that nuclear explosions might also be concealed by firing them at such a time that the resulting seismic signals would be masked by the signals from large earthquakes. Theories of other possible techniques to prevent accurate location or to destroy the usefulness of the first motion criterion for identification were discussed. However, these possibilities were not considered as significant as concealment by decoupling.

#### *Improvement in Geneva experts system*

The improvements recommended by the Berkner Panel listed above under "Detection and Identification of Underground Nuclear Tests" were expected to restore the capability of the experts system to that estimated in 1958, which was based on a 21-station installation in the Soviet Union.

The committee heard several proposals for improving the detection and identification capability of the control system by increasing the number of seismograph stations.

Rand Corp. study presented by Dr. Richard Latter indicated that increasing the number of control posts, complete with 100-element arrays, to 30 stations within the U.S.S.R. would leave about 9 unidentified earthquakes within the U.S.S.R. per year above magnitude 4.75 (20 kilotons under Rainier coupling conditions). About 36 unidentified events per year within the U.S.S.R. would remain unidentified above magnitude 4.35 (about 5 kilotons Rainier coupling).

Dr. Roberts of the Carnegie Institute proposed a system of about 125 unmanned stations in the Soviet Union, spaced at 250-mile intervals, for detecting tamped explosions as small as 10 tons or decoupled explosions of about 3 kilotons. However, he pointed out that there would be no way of discriminating between these small explosions and earthquakes. He based his recommendation on his experience with 1 ton high explosive charges fired in water and on additional experiments with quarry blasts.

On this basis he estimated that 10 tons fired in rock could be detected at 250 miles

<sup>3</sup> These calculations were made by the Office of the Special Assistant to the President for Science and Technology utilizing the best information available at the time (Jan. 6, 1960).

<sup>4</sup> See secs. IV and V.

under favorable circumstances, particularly if small arrays of seismographs were used at each station.

Dr. Bethe proposed in his testimony before the committee on April 20, 1960, a network of about 600 unmanned seismograph stations in the U.S.S.R., at intervals of about 125 miles. This network was designed to identify a high proportion of the earthquakes equivalent in size to a 20 kiloton fully decoupled explosion (about 70 tons closely tamped).

He estimated there would be 5,000 seismic events of this magnitude in the U.S.S.R., of which about 500 would be unidentified. Dr. Bethe further stated that since we are interested only in decoupled explosions we would have to inspect only that part of the 500 unidentified events which were located in salt dome areas.

Hopefully, he reported this might involve as few as 5 events per year, since he estimates that only 1 percent of the 500 unidentified events would occur in salt dome areas of the U.S.S.R. This estimate is based on Dr. Bethe's assumption that 20 kiloton decoupled explosions could most easily be conducted in salt beds.

In a communication to the committee dated April 27, 7 days later, Dr. Bethe offered a revised statement which is printed in the appendix to the hearings. In this later statement he indicated that it would be possible, according to his new calculations, to reduce the 600 unmanned stations to 200 unmanned stations.

#### Engineering study of large arrays in U.S.S.R.

An engineering study of the feasibility of installing large arrays of seismographs at 22 locations in the U.S.S.R. was presented to the committee.<sup>5</sup> This study revealed that the maximum number of seismographs which on the average can be used in an array is more like 30 than 100. This conclusion results from the practical problems of successfully finding a large number of quiet seismic locations within the 2-mile-diameter circle determined to be optimum for a large array. Thus, it is possible to achieve in a "realistic" array installation of about 30 seismographs an improvement in signal-to-noise level of a factor of 4 rather than the theoretical estimate of a factor of 10 for a 100-element "ideal" array.

The study further indicated that of the 22 control post locations spaced as recommended by the 1958 conference of experts, 16 stations can be located on good geology with 6 on fair, poor, or very poor geology. Thus, 6 of the 22 stations of an actual Geneva system of seismic arrays in the U.S.S.R. can be expected to have a capability lower than that theoretically expected by the experts.<sup>6</sup>

The report outlines the practical problems of engineering and logistics for stations from the Arctic areas to the deserts and high mountains of the southern part of the U.S.S.R. The project is compared in engineering difficulty to the multibillion-dollar DEW line project and is roughly estimated to cost \$1 to \$5 billion just for control posts in the Soviet Union alone.

#### Onsite inspection

The 1958 conference of experts recognized the difficulty of identifying a carefully concealed underground nuclear explosion. In the experts' report they stated:

"When the control posts detect an event which cannot be identified by the interna-

tional control organ and which could be suspected of being a nuclear explosion, the international control organ can send an inspection group to the site of this event in order to determine whether a nuclear explosion has taken place or not."

How many annual onsite inspections would be necessary or permitted in the U.S.S.R. has been the subject of continuous controversy between the U.S.S.R. and United States-United Kingdom negotiators at Geneva. The U.S. February 11, 1960, proposal discussed above, under "Detection and Identification of Underground Nuclear Tests" was an attempt to overcome the Soviet refusal to agree to inspection rights on all suspicious events by setting a specific number of annual inspections as a quota with a direct relationship to the technical requirement.<sup>7</sup> The hearings discussed the methods by which onsite inspections would be made. Inspection would consist of aerial overflight of an area of 40 to 200 square miles, subsequent ground survey of suspicious smaller areas located from the air, and, finally, actual drilling operations to locate radioactivity at the point deep underground where the explosion may have occurred.

In the first phase, aircraft equipped with conventional and infrared photographic equipment, and airborne magnetometers, would search for unusual vehicular traffic, mining or drilling activities, communication or powerlines, craters, rock slides, cracks in the earth, disrupted vegetation, etc.

In the second phase, ground examinations of selected smaller surface areas would utilize scientific equipment such as sensitive magnetometers, electromagnetic metal detectors, refraction shooting equipment, etc. The objective would be to attempt to locate, hopefully within a circle of about 500 feet in diameter, the spot directly over the suspected underground nuclear explosion. Magnetometers and induction detectors may locate remnants of cable, drill tips, or drill casing, or other construction material which may have been used in preparing for the shot. Reflection and refraction shooting may be useful in locating underground cavities. Surface inspection on foot or horseback would be required to look for unusual signs of human activities connected with preparations for the test.

The third and final phase of inspection would be drilling. This phase would not be started until the successful conclusion of the second phase. By successful conclusion is meant that one or more areas equivalent to a circle of the order of 500 feet radius can be selected for drilling operations. Drilling operations must then be conducted in each one of these localized areas. The probability of success in such operations is given in the following table presented by Dr. Gerald Johnson, Lawrence Radiation Laboratory, Livermore:

Probability of discovery of radioactive zone from tamped explosions within a 500-foot circle

Yield (kilotons)	5 holes		10 holes	
	Percent	Percent	Percent	Percent
1.7	3	12	3	12
20	26	94	26	94
100	100	100	100	100

It was variously estimated by scientific witnesses that the overall probability of success of an onsite inspection in locating and identifying a single underground nuclear explosion varies from very nearly zero

<sup>7</sup> The Soviets have consistently held that agreement on the quota should be settled as a political question independently of the problem of the number of unidentified events.

to a probability of 100 percent success if the inspection were conducted in an exhaustive manner for a period of several years at a cost of tens of millions of dollars.

#### Detection and identification of nuclear explosions at high altitude and in space

The problem of detecting nuclear explosions at high altitudes and in space may be solved by detection equipment mounted on the surface of the earth in conjunction with detection equipment based in satellites in prescribed orbits around the earth or the sun. Techniques suggested by technical working group I (July 1959) for installation at control posts of the experts system are tabulated below:

Method:	Approximate theoretical range (miles)
Direct optical	300,000
Fluorescence	500,000
Backscatter radar	3,000
Cosmic noise absorption	1,000-10,000
Electromagnetic pulse	3,000

Techniques for employment on earth or solar satellites are listed in the following tables:

Method:	Approximate theoretical range (miles)
Thermal X-rays	200,000,000
Prompt gamma rays	300,000
Delayed gamma rays	300,000
Prompt neutrons	100,000
Delayed neutrons	10,000
Trapped electrons	30,000

Ground techniques appear to have possibilities for detection out to ranges of 300,000 to 500,000 miles. Five of the six suggested satellite techniques are similarly limited to ranges of about 300,000 miles from the satellite. At distances beyond 300,000 miles from an earth satellite system, slightly more than the distance to the moon, it is significant to note that only the X-ray technique will record radiation from a nuclear explosion. Thus, in more than 99.99 percent of space available for nuclear tests by a violator only the X-ray technique has the necessary detection range. Furthermore, this X-ray technique is subject to degradation in range by the technique of shielding by a potential violator to reduce the intensity of X-rays from the explosion. It is estimated that the above range for an unshielded explosion would be reduced by a factor of 10 or more for explosions in the megaton yield range and by a factor of 100 or more for explosions of the order of 10 kilotons in yield by shielding.

Very little is known about the natural radiation of gamma rays, neutrons, and X-rays in regions where satellites would be installed. The effectiveness and reliability of the satellite system will therefore depend greatly upon the degree to which pulses of radiation similar to those produced by nuclear explosions in space might be produced naturally.

#### Significance of further weapon developments through clandestine tests

As previously discussed, the witnesses agreed that the 180-station Geneva system would not have a capability of detecting and identifying seismic events below 20 kilotons equivalent as originally thought. All witnesses also agreed that seismic signals from underground tests could be reduced by decoupling up to a factor of 300. Accordingly, with the present state of knowledge, detection of an underground low-yield test by a violator attempting to conceal it will be extremely difficult if not impossible. Similarly, it was agreed that clandestine testing of high yield weapons in space could be conducted within the present scope of missile and satellite technology.

In view of this, the question naturally arises as to the importance or significance

of clandestine tests. In the opinion of the scientists, who testified at these hearings, further underground tests at yields smaller than 20 kilotons would permit development of new weapons in the low kiloton range. They also agreed that further testing in space would permit full-scale tests of weapons developed by underground scaled-down tests, as well as permit development of improved models of high-yield nuclear weapons.

The witnesses differed, however, on the relative military significance of such developments compared to the stockpiles of sophisticated weapons presently available to the three principal nuclear powers, the United States, the United Kingdom, and the U.S.S.R. For example, Dr. Teller considers such developments of very great importance, while Dr. Bethe considers they would be of only nominal importance.

The importance to the United States of future development of low-yield nuclear weapons, as well as improvements in high-yield weapons, is determined by military requirements—strategic and tactical. These are the responsibility of various agencies in the executive branch, including the Office of the President, the Department of Defense, and the AEC, as well as designated congressional committees in the legislative branch. However, the military significance to the United States of possible future nuclear weapons must also be considered and assessed in relationship to the overall diplomatic and foreign policies of the United States. While these hearings were concerned primarily with the technical problems of a nuclear test ban, it is recognized that diplomatic and policy matters of great importance must also be considered in the final evaluation. The latter, however, were not within the scope of these hearings.

*Research and development required for seismic improvement*

It was the unanimous opinion of all witnesses that a vigorous and sustained program of research and development is necessary to improve our instrumentation and our techniques of detection, identification, and inspection of nuclear explosion tests.

The Berkner Panel proposed a comprehensive research program in seismology and recommended a systems development program directed toward the specification of equipment required for a worldwide seismic system for monitoring underground nuclear explosions. The March 1959 Berkner report recommended a total expenditure of \$22.8 million for the first year and \$30 million for the second year.

A U.S. research and development program, designated Project Vela Uniform, was assigned to the Department of Defense's Advanced Research Projects Agency (ARPA) in September 1959. The Advanced Research Projects Agency authorized implementation of the program in February 1960 by the Air Force Technical Applications Center (AFTAC).

This program was allocated \$8.5 million in December 1959, of which \$5 million was obligated by April 19, 1960. Testimony indicated that there is no line item in the fiscal 1961 Department of Defense budget for this program and future funds thus would have to be obtained from other Department of Defense projects or sources.

Under Project Vela Uniform, AFTAC has undertaken the following major tasks:

(a) Equip a large number of world seismological observatories with standard calibrated seismographs and auxiliary equipment and provide for the free exchange of data accumulated throughout the continuous operation of such equipment. This program is designed to provide uniform and quantitative seismic data in support of research on the nature of earthquakes and the characteristics of seismic waves produced by them. A special panel established by the National Academy of Sciences will provide recommendations on equipment specifications and on

deployment and use of this equipment. Procurement, installation, and distribution is to be handled by the U.S. Coast and Geodetic Survey of the Department of Commerce with the first 50 sets of equipment expected to be available in mid-1960.

(b) Stimulate basic research in seismology through the establishment of programs at universities and other research organizations to include investigations on the generation and propagation of seismic waves, studies of the structure of the earth, and the development of new types of seismic instruments. These efforts are expected to contribute to the solution of detection problem and to result in a significant increase in the number of trained scientists who would be required for the technical operations of a control system.

(c) Carry out a systems development program to include the construction and operation of a Geneva-type station recommended by the 1958 Conference of Experts and the design and operation of a systems development laboratory and seismograph station based on Berkner Panel recommendations. Characteristics of the latter station will be continually modified in the light of technical advances.

(d) Investigate the magnitude and characteristics of seismic effects from both underground nuclear and high explosive detonations for the purpose of obtaining data on the difference in signals generated, the effects of depth of burial and geology and to obtain possible additional criteria for differentiating between natural and artificial seismic events. Extensive measurements to be made at distances from a few feet out to distances as far as 2,000 to 3,000 miles from these explosions would provide data which are expected to result in major improvements in detection capabilities. (Nuclear explosions were considered essential by most of the witnesses for a research program of this nature.)

*Research and development required to determine feasibility of detecting nuclear explosions in space*

The March 1959 report of the Panofsky Panel<sup>\*</sup> proposed a program of research and development to determine the feasibility of systems for detecting nuclear explosions in space. The U.S. Government is considering a major program of research and development based on the recommendations of this report. This program, designated Vela Sierra (ground-based techniques) and Vela Hotel (satellite-based techniques), is the responsibility of the Advanced Research Projects Agency (ARPA).

Scientific opinion at the hearings unanimously supported the requirement for an intensive program of research and development to determine the feasibility of detecting nuclear explosions in space. A program of research and development was presented by ARPA which amounts to the threefold task of (1) surveying the background levels of radiation in space to be encountered by satellite detectors; (2) developing adequate detection equipment for satellites, launching, tracking, and data-reduction systems; and (3) developing equipment for detection of nuclear explosions in space from control posts of the 1958 Geneva experts system.

The program contemplates utilizing the facilities of the Department of Defense, the Atomic Energy Commission, and the National Aeronautics and Space Administration in the most effective way possible to accomplish the program in the shortest possible time. It is estimated that a program of 3 to 5 years of research and development will be required

<sup>\*</sup>The Panel on High Altitude Detection under the chairmanship of Dr. Wolfgang Panofsky was appointed by the Special Assistant to the President for Science and Technology and on Mar. 16, 1959, submitted its final report.

to determine the feasibility of a system for detecting nuclear explosions in space.

ARPA has requested \$20 million for fiscal year 1961 to pursue the program of research on surface and satellite techniques for detecting high-altitude explosions.

**PRESIDENT EISENHOWER'S OPPORTUNITY TO STAND UP FOR FREEDOM**

Mr. COFFIN. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. FEIGHAN] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, today, May 10, we commemorate Rumanian Independence Day which has long been celebrated by Rumanian patriots in all parts of the world as a day of national unity.

The Rumanian Nation, history tells us, was constructed by the descendants of the Roman colonists many centuries ago. Down through history Rumania has stood as one of the strong and sturdy ramparts of European freedom and the noble cause of Christianity. As a consequence of her geographical position as well as her strong loyalty to the cause of an advanced civilization, Rumania has often been the scene of war and martyrdom.

Today this historic nation of some 20 millions of people suffers under the heavy yoke of Russian Communist imperialism. While it is true that the Rumanians have known the cruel whip of Moscow in past generations, the Communist whip now in the hands of the Kremlin masters is more cruel, brutal, and inhuman than any before lashed over the backs of the Rumanian people. All freedom-loving Americans, therefore, on this, the traditional Rumanian Independence Day, pay tribute to those loyal and sturdy Rumanian patriots who stand fast in their faith for the future of Rumania and all mankind.

Within 6 days the summit meeting at Paris, France, will be held. This meeting presents a marvelous opportunity for President Eisenhower to become the champion of freedom and national independence for all people and nations by insisting that the agenda to be considered at the meeting include the right of all nations, large and small, to determine their own destiny, their own form of government, by free and unfettered elections. Insistence upon this right at the summit meeting may be offensive to the cruel, inhuman leader of the Russian Communists and the international Communist conspiracy, Khrushchev, but it would be in strict conformity with the previous agreements signed by the Soviet Union, Great Britain, France, and the United States.

The Captive Nations Week resolution, which is Public Law 86-90, enacted by Congress and signed by the President July 17 of last year, means that we deeply share the aspirations of all the captive nations for their national independence, freedom, and individual liberty. It also signals to Moscow that it should make no mistake about

our spiritual alliance with the captive millions and that in no circumstances will we ever sacrifice their goals for national independence, freedom, and individual liberty in any deal.

By insisting upon the right of self-determination of nations to be included in the summit agenda, President Eisenhower will have the complete support of Congress and the acclaim of the American people and all people throughout the world who are anxious for a peace with justice.

I am confident that the God-fearing people of the great nation of Rumania, once again, given an opportunity to determine their own destiny by free and unfettered elections, would repudiate the Russian proconsuls and Russian stooges who are in control of the Government. They would replace them with loyal patriotic Rumanians worthy of the great tradition and heritage of true Rumanians.

#### WAGING PEACE

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. JOHNSON of Colorado. Mr. Speaker, I would not want this RECORD to close, in the light of the remarks made earlier today, without some comment about waging peace. The events of the past 15 months have given many Americans hope that the administration was indeed engaged in waging peace, but Americans have been unnerved by the swift succession of events in the past 10 days. So much attention has been given to the flight across Soviet territory that the greater risk to the nuclear test conversations at Geneva has almost slipped from view.

In 1958, our international discussions of nuclear tests had come close to the point of an agreement. All of the scientists felt that a treaty could have been settled then, but we insisted on further nuclear explosions and, while we tested small bombs, the Russians perfected the H-bomb for carriage in a missile. We resumed conversations.

Finally on February 12 of this year we offered a new proposal calling for a program of joint research and experimentation to develop the detection of small tests underground. In the White House statement at that time it was said "the United States is determined to make all possible progress toward the ultimate objective of the negotiations," and "a joint program of research and experimentation would permit the ban to be systematically extended to the remaining areas underground where adequate control measures are not now possible to incorporate."

Out of these negotiations had come further agreement so that there remained to be settled at the forthcoming summit conferences only three major questions: The question of the length of the moratorium, the completion of the control group, and the number of on-site inspections.

Most scientists believed that these partially political questions could be resolved in an acceptable manner at the forthcoming summit conferences and that this would be one step forward toward building a lasting peace. But, again, even as others have indicated their willingness to accept our offers, we again appear to be torpedoing our own offer.

On last Friday, the President stated that we would not have joint research but coordinated research, which is a far different thing. On Saturday he announced that we would proceed to carry out underground nuclear tests, thus indirectly withdrawing the offer of February 12 for joint research, just 4 days before the conference resumes meetings to work out joint research. In this time of tensions, Mr. Speaker, it is essential that we try to increase rather than decrease the area of trust. If we would be trusted, we must proceed in good faith ourselves. A coordinated research program in which the other parties to the research will not know fully what is being done may very well undermine the opportunity for an agreement on a nuclear test ban.

This morning's Washington Post, in a UPI dispatch from Geneva, indicates that neither the British nor American delegations had been informed in advance of the Washington move. They were obviously irked at its timing and feared months of tedious conference activities might have been wasted because of it. A Reuter's dispatch indicates that Britain is opposed to the unilateral resumption of nuclear testing by either the United States or the Soviet Union unless it is carried out within the framework of current negotiations, which is to say, under joint research. Certainly we should not act without consultation, especially at this stage.

Mr. Speaker, the American people have a right to be told the truth by their public officials. The issues with which we deal are of such great importance that deception may invite national destruction. The confidence of our adversaries in our truthfulness has already been badly shaken by the events of the past weekend. Now we risk shaking the confidence of our allies and friends as well.

I call upon the President to retract the announcement of last Saturday and to affirm his offer of February 12, to help assure that a nuclear test ban, as the first step toward world disarmament, may be achieved. President de Gaulle reminded us 2 weeks ago that this is the last moment for reaching agreement. Otherwise we may expect many more nations to join the nuclear club, we may expect agreement to be more difficult, and the risk of nuclear war, even by accident, to mount.

Mr. Speaker, I am distressed that there are public officials who in this hour preceding a world conference of heads of State would seek to justify or condone provocative acts which threaten the lives of hundreds of millions of people the world over. I invite my colleagues to read the following English translation by Tass of the remarks of Premier Khrushchev, which appeared on page 16 of today's New York Times. The

uncommitted world will be listening to us as well as to Premier Khrushchev. They will be judging the actions of the United States as well as of the U.S.S.R. May our words and our deeds henceforth indicate an unswerving desire to wage peace, in order that mankind may live to enjoy freedom. Even those who have not yet experienced the freedom of the Western World have no desire to be liberated by incineration.

[From the New York Times, May 10, 1960]  
TEXT OF KHRUSHCHEV'S SPEECH WARNING NATIONS WITH BASES USED BY U.S. PLANES

Dear Comrade Dvorak, Ambassador of friendly, fraternal Czechoslovakia.

Dear friends, comrades, gentlemen.

We are very pleased to attend the reception held on the occasion of the fifteenth anniversary of the liberation of the Czechoslovak Republic, the celebration of Victory Day, which indeed is a holiday for all the peoples. The Soviet people, at one with all other peoples, sincerely want that there should be no more war, that this war should be the last, that it should be remembered by the peoples and should go down in history as the last war.

We are doing our utmost to achieve this indeed. That is precisely why the Soviet Union submitted at the United Nations its proposals for general and complete disarmament. We not only insist on the necessity of reducing armed forces but already now, without waiting for such decisions by the Western countries, we unilaterally cut the armed forces of the Soviet Union by one-third.

When we have reduced our armed forces to 2,400,000, some time will pass, and we shall think it over and evidently we shall further reduce our army. Comrade Zhadov [Gen. Aleksandr A. Zhadov, deputy commander of Soviet ground forces] over there scratched the back of his head—another reduction.

No, this will not be done now, Comrade General, but later.

We shall do this if the situation favors such measures. Of course, we shall not cut our armed forces to such a level which would prejudice the security of the Soviet Union. You should bear in mind that we do not reduce our armed forces for financial reasons. No, the financial situation of our state is splendid and, if need be, could not only forbear from reducing the army and navy, but increase them. I repeat, if this were necessary we could do this without tense efforts. But as good masters we say: Why have bigger armed forces than we need?

#### CONTROLS NOT FEARED

If our partners agree we are willing to accept total disarmament and we shall effect it honestly. We are not afraid of control. If you please, gentlemen, then you could fly over our territory, check, take pictures, do what you please.

Such an issue as now could not arise then. The Department of State explains the incident with the downed reconnaissance plane more or less as follows: One cannot, they say, admit, nor can one deny. It turns out, as in the well-known joke, that here is a maiden who is also not a maiden for she has a child. The marriage was not registered, therefore one can regard her as a maiden in a way. But she gave birth to a child. Can one regard her as a maiden or not?

This does not happen in real life. We tell the Americans: Your plane flew over our country on an intelligence mission. We tracked its flight and it flew to the Sverdlovsk area, where it was brought down. That is how you got into a mess and you are in a mess. Pluck up your courage and say: Yes, there was such a disgraceful fact. And this is a big disgrace for America since everyone sees now how disgraced in the eyes of the world are those who committed such a

shocking act of aggression. The whole world wants peace, a relaxation of international tension while certain quarters in the United States stage such a provocation.

What were the purposes of this flight? A provocation. This is bad, very bad indeed.

#### TIMING FOR SUMMIT SEEN

I have already said, comrades, and now I repeat, that this was done deliberately and deliberately timed for the summit meeting in Paris. It is said that it was the work of the military. Only the military? What kind of state is this if the military do what the Government opposes? How can the Government tolerate this? If any one of our military allowed himself to do such a thing, we would pull him up immediately. The Government and the country are strong when the entire machinery functions smoothly, when everything is subordinated to the Government. Therein lies real strength. Understand me rightly: When everyone pulls in a different direction what kind of state is this and what confidence can one have in the policy of such a state?

There can be no confidence in the policy of such a state. The statement that the aggressive flight was made without the will and instructions of the Government, that nothing was known of it in the State Department, does not give credit to the Department of State of the United States. And what about Allen Dulles?

For he knew about all this and he also is a member of the U.S. Government. For this is Allen Dulles' aviation. It turns out that the State Department's reply is, as the saying has it, too thin.

It is possible, I do not know this for certain, but I do not preclude the possibility that the Government of the United States of America knew of this flight. But I, so to speak, confide it to you.

#### STATEMENT HELD ALARMING

In diplomatic language it would be better to say: It knew, but it stopped its ears and closed its eyes and now depicts the matter as if the Devil led astray some official. However, let it be, with this Government and with its way of issuing statements on all this.

One thing is alarming in this statement. It is vague. More, this statement blames us for not allowing to fly over or travel across our country those who want to study our defenses, to discover secrets. And that is why they, that means the American Government, had been impelled to send planes on intelligence missions. This is a very dangerous explanation. It is dangerous because it does not denounce but tries to justify such a flight and seems to say that such flights are possible in the future, too, because the Soviet Union does not think to reveal its secrets to countries that pursue unfriendly policy toward us.

Using this as the only justification, some gentlemen intend to gain the right in the eyes of public opinion to fly over our territory in the future, too, gleaning important military secrets.

I repeat once again this is very dangerous, let alone that it is wrong in principle and not in keeping with the spirit of international peaceful relations. If someone intends to fly over our territory, reconnoitering objectives and gleaning state secrets, we shall bring down such planes, just bring them down.

More, if such flights are repeated, we shall take appropriate countermeasures.

#### OTHER COUNTRIES WARNED

I should say this: Those countries that have bases on their territories should note most carefully the following: If they allow others to fly from their bases to our territory we shall hit at those bases. Because we assess such actions as provocations against our country.

We tell the governments of those countries, if you leased your territory to others

and are not the masters of your land, of your country, hence, we shall have to understand it in our way. Those who lease your territory, operate against us from your territory. Their lands are far from us while your land is near. That is why as a warning to remote targets, we shall find the range to the near ones. Let them draw the appropriate conclusions.

I should not like to heat up passions because even in wartime people long for peace, await an end to the war and dream of peace. There is no war now. Our strength is being tested. Therefore, let us not draw conclusions aggravating relations between countries, such conclusions as would hamper us in the future, I should like to say, even in building good relations with the United States of America. Today I declare once again that we want to live not only in peace but also in friendship with the American people. The American people want no war, I am sure of this.

On the eve of the Paris meeting the aggressive circles wanted to bring strong pressure to bear upon us. We say: Let us conclude a peace treaty with Germany. Some of our former wartime allies are against this.

#### WEST BERLIN STAND DECIED

But why? Plainly speaking, why need the United States of America, France, and the United Kingdom West Berlin? They need it as a dog needs a fifth leg. West Berlin does not give them anything. By the way, no one encroaches on West Berlin. It is said, freedom is at stake, but who encroaches on freedom?

Let the West Berliners continue to live as they do now and let them have the regime they like. The Soviet Government has long since declared that to select a regime is a matter for each people and that everyone should live as he prefers to. If the Western Powers do not want to sign a German peace treaty we shall have to sign a peace treaty with the German Democratic Republic.

The point is that even after we conclude such a treaty with the German Democratic Republic they would like to exercise those rights which flow from Germany's surrender, to exercise them in defiance of the peace treaty we would have signed. But if we sign a peace treaty with the German Democratic Republic, the terms of war will be ended and, hence, the terms of surrender will also be ended. They will cease to operate. If after the signing of a peace treaty some one would like to force his way into West Berlin which we would like to see a free city, our force will resist this force.

Aware of this, some leaders in the United States of America decided to teach Khrushchev a lesson; since it is said that force will resist force, we shall teach a lesson to the Soviet Union, we shall fly over your territory and we already flew over it and returned home.

#### EARLIER FLYOVER NOTED

This happened, for instance, on April 9. I have already spoken of this. Even now this flight is denied in the United States. In this case the ethics is: If the thief is not caught, he is no thief. But this time we caught the thief and now the whole world knows of it.

The reconnaissance plane should have been brought down on April 9, too. But our military, to put it mildly, let a chance slip by. And we, as one says, took them to task for it. On May 1 the reconnaissance plane was shot down. The military splendidly coped with the task when the opponent grew bold. For the American military thought like this: If the April 9 flight passed off with impunity, that means they cannot hit it at such an altitude, and the aggressive military wanted to demonstrate their strength once again 15 days before the summit meeting.

Well, Khrushchev, what are you boasting of? We fly over your country and you can do nothing about it. They expected to fly over Soviet territory this time, too, to fly over Sverdlovsk and to show that we can do nothing about it. Indeed, an unpleasant situation. And now when he hit the air pirate with a rocket, as the saying has it, it is time to dismount from the horse.

S. M. Budenny: "One must slash down to the saddle, and everything will go to pieces."

Nikita Khrushchev: "I believe that this cavalry rule is quite appropriate."

Attempts are still made to frighten us because in the West bombers are flying on round-the-clock vigil \* \* \*.

#### ROCKETS ON VIGIL

I should like to tell those people: "Listen, gentlemen, we also have bombers, but they are not on vigil, in our country rockets are on vigil."

It is common knowledge that V bombers, as a rule, fly at an altitude ranging from 12,000 to 17,000 meters, they cannot rise higher because designers still cannot overcome technical difficulties. The plane which committed the diversion on May 1 flew at an altitude of 20,000 meters. They say it was an unarmed V plane. It was because it was unarmed that it could fly at such an altitude. They expected that such a plane will be invulnerable for a long time to go. They even expected that this will be almost for all time.

I shall say further, when Twining, the then Chief of Staff of the United States Air Force, arrived here we welcomed him as guest and entertained him. He left our country by air and next day sent a plane flying at great altitude to our country. This plane flew as far as Kiev. The question arose: Should we protest? I proposed that no protest should be lodged. Only an animal might act like Twining which, eating at one place, might do its unpleasant business there. From such behavior we drew the conclusion: To improve rockets, to improve fighters. Our fighters can fly as high as 28,000 meters. But the difficulties of a fighter are that though it can rise high, it is not so easy and simple to find the target in the air; a plane in the air is like a needle in the ocean.

But the rocket finds its target itself. This is the advantage of the rocket and we use of it. We have both fighters and rockets. That is why I say: If there are still politicians who would like to rely on bombers, they are doomed to failure. With the up-to-date military techniques bombers will be shot down even before they approach the target. We also have good aviation. I flew to America in a TU-114. This plane is a modification of a bomber with a flying range of 17,000 kilometers. I mentioned this to the President of the United States. However, the ceiling of the bomber is within the sphere of operation of fighters. It is now not so difficult to bring down a bomber.

The Americans can do this, but we can do it even better.

That is why one should abandon this exchange of threats. It would be better to speak of peace and friendship, how mutually advantageous it is to trade, how good relations can be established between peoples, how cultural contacts and tourist travel can be developed. This would be a far more useful and lofty job and all the peoples of the world would welcome this. This is precisely what our stand is, comrades. The peoples demand tranquillity, they are against wars and military conflicts. Let us try and meet these just demands of the people.

#### SOVIET GOALS CITED

When we were preparing the recent session of the Supreme Soviet we did not envisage the discussion of any military questions. We drafted a law on the abolition of

taxes paid by factory and office workers and a law on the completion of the transition to a 7 and 6-hour working day. We prepared for discussion at the session the question of increasing by 25 billion to 30 billion rubles expenditures for the expansion of industry manufacturing consumer goods so as to emerge to first place in Europe during this 7-year-plan period, and to catch up with the United States 5 years later. What lofty aims from the attainment of which not a single people, not a single individual in the world, would suffer.

And here, as one says, to "cheer us up," they timed such an aggressive act for the great proletarian May Day holiday. But the aggressors themselves did not expect that they would indeed cheer us up. When Marshal Malinovsky mounted the mausoleum on May Day to make his speech, I could already congratulate him on the shooting down of the plane. He replied that he had learned this just before motoring to Red Square. This was good news before the minister's speech at the May Day parade.

Comrades, today we are celebrating the day of victory in the war in which we lost more people and wealth than any other country. We mourn over the dead but at the same time we celebrate and rejoice in our victory.

HAILS WAR VICTORY

We rejoice because our people not only rehabilitated the devastated economy but far surpassed the prewar level of development. This victory is also being celebrated in countries that were our allies in the last war. The Ambassadors of those countries are also here. We have just clinked glasses with the American Ambassador, Mr. Thompson. But after our "clinking" in the air, are ringing of our glasses in the Czechoslo-

vak Embassy—is already not the proper ringing.

I respect the Ambassador of the United States and I am convinced that he had nothing to do with this incursion, that he could not have anything to do even if he wished to.

I am convinced of the ethical qualities of this man. Since I know him I think that he is not capable of such a thing. Evidently he feels this incident as a big annoyance for his country and for himself as the representative of the United States in the Soviet Union. This must be taken into consideration.

Comrades, I propose a toast to the victory, to the nations and people who fought against Nazi Germany and with us won a great victory.

I propose a toast to friendly Czechoslovakia, to the remarkable people of Czechoslovakia, to the hosts of this house, the Ambassador of the Czechoslovak Republic, Comrade Dvorak, and his wife, to all who represent the fraternal Czechoslovak Republic in the Soviet Union.

I raise my glass to the end of wars, to the end of provocations, to peace and friendship between the peoples.

HEALTH CARE PROPOSALS

Mr. SMITH of California. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. BYRNES] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, the Committee on Ways and Means is presently working in executive session on possible amendments to the Social Security Act. One of the important subjects under consideration in this activity is concerned with the establishment of a health and medical care program for the aged.

Basically there are two proposed approaches presently under consideration to provide the aged with protection against health care costs. One of these approaches is the Medicare plan recommended by the administration as outlined to the committee by the Secretary of Health, Education, and Welfare, the Honorable Arthur S. Flemming. The other approach is contained in legislation, H.R. 4700, sponsored by my distinguished committee colleague, the Honorable AIME J. FORAND, of Rhode Island.

Important factors involved in the evaluation of the relative merits of these two approaches include eligibility or coverage, scope of benefits, cost, and financing. So that factual information may be available on these important points, I have had a table prepared presenting a comparative analysis of the administration proposal and the Forand proposal.

As a part of my remarks at this point in the RECORD I will include this table so that the information contained therein may be publicly available:

	Administration proposal.	Forand, H.R. 4700
I. Eligible group.....	All persons 65 and over who pay no income tax, or persons who do pay taxes and whose adjusted gross income, plus social security, railroad retirement benefits, and veterans benefits do not exceed \$2,500 (\$3,800 per couple): Total, eligible group..... 12,400,000	All persons 65 years or older receiving social security plus widows over age 62 and minor dependent children eligible for social security benefits.
II. Enrollment fee.....	Public assistance..... 2,400,000 Non-taxpayers..... 9,500,000 With adjusted gross income of \$2,500 or less..... 500,000 \$24 per person per year. No enrollment fee for public assistance recipients. Covered: Total, 2,400,000.	None.
III. Old-age-assistance recipients.....	Individual with less than \$2,500, or \$3,800 per couple, of adjusted gross income covered: Total, 12,400,000.	660,000 covered of the 2,400,000 total.
IV. Persons with low income.....	Persons with an income in excess of \$2,500, or \$3,800 per couple, not covered: Total, 3,600,000.	Only low-income group receiving OASI would be covered.
V. Persons with higher income.....		All of high-income group receiving OASI would be covered.
VI. Benefits per year:		
(a) General.....	Pays 80 percent of all medical costs in excess of the first \$250, or \$400 per couple, of medical expense incurred by the beneficiary in the year. <sup>1</sup>	Pays only dollar cost of first 60 days' hospital care; 120 days' nursing home care, less time in hospital; surgery.
(b) Hospital care.....	180 days. (At national average of \$30 per day less coinsurance of 20 percent, this equals \$4,300.) <sup>1</sup>	60 days. (At national average of \$30 per day, this equals \$1,800.)
(c) Skilled nursing home care.....	365 days. (At national average of \$8 per day less coinsurance of 20 percent, this equals \$2,336.) <sup>1</sup>	120 days less total number of days spent in hospital. (Hospital admittance required prior to entrance in nursing home. Assuming 1 day of hospital care, 119 days, at \$8 equals \$952.)
(d) Organized home care services.....	365 days.....	None.
(e) Surgical procedures.....	Yes; no limit.....	Yes; no limit.
(f) Laboratory and X-ray services.....	Up to \$200, less coinsurance of 20 percent.....	None.
(g) Physicians' services.....	Yes; no limit.....	Do.
(h) Dental services.....	do.....	Do.
(i) Prescribed drugs.....	Up to \$350, less coinsurance of 20 percent.....	Do.
(j) Private duty nurses.....	Yes; no limit.....	Do.
(k) Physical restoration services.....	do.....	Do.
VII. Optional coverage.....	Yes; participants could purchase a major medical health insurance policy from a private carrier or group. If so, the Federal and State Governments would pay 50 percent of premium cost up to a maximum of \$60.	Do.
VIII. Administration.....	State administered.	Federally administered.
IX. Cost.....	Total estimated costs..... \$1,383,000,000	The first year expenditure could be \$1.1 billion. Because it would be necessary to increase the payroll tax on a level premium basis, the contribution to the fund during the first year would be \$1.64 billion.
X. Financing.....	Annual Federal share..... 600,000,000 Annual State share..... 600,000,000 Eligible individual annual contributions..... 183,000,000 General revenues.....	Payroll tax increase, based on 1st \$4,800 of earnings: 1/2 of 1 percent per employee, employees cost (approximately)..... \$750,000,000 1/2 of 1 percent per employer, employers cost (approximately)..... 750,000,000 1/2 of 1 percent per self-employed, self-employed cost (approximately)..... 140,000,000 Total estimated benefit cost..... 1,640,000,000

<sup>1</sup> Public assistance recipients receive 100 percent coverage.

### AGRICULTURE APPROPRIATION BILL

Mr. SMITH of California. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. BROOMFIELD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, in our consideration of H.R. 12117, the agriculture appropriation bill, I would like to make it plain to my colleagues why I oppose this measure.

The report issued with this bill by the House Committee on Appropriations is a telling indictment of the waste, the confusion and the loss of the income to our farmers because of our present farm policies.

May I quote directly from the report on one portion of the agriculture appropriation bill, that having to do with production controls:

What we have been doing hasn't worked. After spending or committing ourselves to spend nearly \$26 billion, the record shows the situation to be three or four times worse in terms of surplus inventories of CCC.

Any future farm program must provide that farm income shall come from the production of that quantity of product necessary for domestic and foreign markets. In the interest of the overall national economy, such production must reflect farm costs plus a reasonable profit. Such income should come from the market place.

To me, there is a simple and permanent way of accomplishing this purpose as outlined by the report. It is just a case of getting the Federal Government out of the price control and subsidy business. It is a case of putting the destiny of our farmer in his own hands rather than that of the Federal Government.

Apparently, a great many members of the House Committee on Agriculture have no confidence in our farmer and his ability to compete with his goods in the world market.

This being a presidential election year, I can well recognize the fact that there is a noticeable reluctance on the part of some Members of both Houses of Congress to upset any applecart. Yet, it is my belief that the time has long since passed when expediency should be considered national policy.

Our constituents should be told the truth. Are the taxpayers of this Nation going to be faced with supporting a large segment of our population forever? Or are efforts going to be made to permit the farmer to once again find his freedom, to live his own life as he sees fit, to get out from under restrictive and liberty destroying edicts by the Federal Government?

There are those who contend our agriculture community must be planned down to the last iota, that the lives of those who make their living off the land they love must be regulated, controlled, used as a vehicle and an excuse for hiring countless more Federal employees who will play big brother, con-

trolling his every effort to grow what he wants, where he wants.

My answer to these people is this. Congress has not yet found a means of repealing the law of gravity. It has not found a way to repeal the law of supply and demand.

Congress does not have it in its power by joint resolution or otherwise to stop the course of the earth around the sun or the moon around the earth.

Yet we are told by those who look at the farmer as a specimen on a microscopic slide or a substance in a test tube that all that is necessary is further laboratory conditions for the farmer, further isolation of him and his family from the economic ups and downs of our national economy, further emphasis upon sterility and stagnation of the farmer's initiative and his hopes for the future.

Fortunately, farmers are not grown in test tubes, and their horizons are limited to the four walls of the social science laboratory. They are living, breathing beings with confidence in our Nation and hope for their future if we will but give them the means of having hope and the freedom to have a hand in their own salvation.

Some claim that the farmer will wilt and die if he and his family are exposed to the open air of free competition. I do not believe this to be true.

We have a huge surplus of farm goods in our warehouses, and we certainly cannot consume all that we grow.

But we cannot claim that there are not ample markets for our agricultural products in other parts of the world if our farmers were but permitted to compete for these markets on a realistic basis.

Our farmers do not want an existence in which their only hope for the future is further Federal subsidies. They want back their freedom. Our consumers do not want artificially rigged prices which cost them millions of dollars annually in higher food costs. They want to buy food at a reasonable price. Our beef and poultry producers do not want to see their profits eaten up by feed costs which have no bearing on the world market price. They want to raise their beef, their poultry, as cheaply as possible.

It is time that Congress face the farm problem on the basis of national need and benefit, rather than as a field in which political promises far outweigh accomplishments.

The best thing we can do for the farmer is to let him alone and permit him the necessity of liberty rather than trying to entice him with the luxuries of subsidies and price controls.

### PERSONAL ANNOUNCEMENTS

Mr. SMITH of California. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CURTIS of Massachusetts. Mr. Speaker, on rollcall No. 68 on Wednesday, May 4, on adoption of the motion for the previous question on the motion that further proceedings under a rollcall be dispensed with, I was absent. Had I been present and voting I would have voted "nay."

On rollcall No. 69, on a motion to dispense with further proceedings under a rollcall, I was absent. Had I been present and voting I would have voted "nay."

### J. EDGAR HOOVER

Mr. SMITH of California. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HALPERN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HALPERN. Mr. Speaker, I would like to add my commendations to those already expressed about J. Edgar Hoover on this the 36th anniversary year of his becoming Director of the Federal Bureau of Investigation. Few Americans are held in greater respect and admiration than this quiet fighter against lawlessness, crime, and subversion.

His dedication to duty, his remarkable record, his personal integrity are magnificent testaments of his character and his devotion to the public service.

As an administrator he reorganized a second-rate Federal bureau, enhanced its services and facilities, and restaffed it with competent, young men.

As a leader, he drove his men hard, but smashed the gangster wave of the thirties, the backwash from prohibition and depression. In the forties and fifties his vigilance was directed against Communists and subversives with such effect that Communist party membership has been reduced to its lowest ebb and the Nation made safer as a result.

As a patriot, he has given unstintingly of his talent and time in the preservation of the national heritage.

As a man, he has won the affection and respect of the entire Nation.

It is a privilege and a pleasure to salute him today on this his 36th anniversary with the Bureau. May the years ahead continue to be blessed with his courage and dedication and may the honors that have been bestowed upon him by a grateful Nation be multiplied again and again in recognition of a great public servant and an outstanding man.

### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HOSMER (at the request of Mr. MAILLIARD), for today, on account of illness in the family.

Mr. SHELLEY (at the request of Mr. KASTENMEIER), for today and the balance of the week, on account of official business.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House following the legislative program and any special orders heretofore entered, was granted to:

Mr. HOLFELD, for 30 minutes today, to revise and extend his remarks and include extraneous matter.

Mr. RANDALL (at the request of Mr. McCORMACK), for 10 minutes, on tomorrow.

Mr. SCHWENGEL, for 2 hours, on Monday, May 18.

Mr. PUCNSKI (at the request of Mr. COFFIN), for 15 minutes, on tomorrow.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. ALGER.

Mr. BRADEMAS.

Mr. CURTIS of Missouri and to include extraneous matter.

Mr. MARSHALL, and also to include certain charts in his remarks today in Committee of the Whole.

Mr. AVERY, his remarks in Committee of the Whole today during colloquy with Mr. MICHEL and to include extraneous matter.

Mr. FORD, his remarks in Committee of the Whole today and to include a chart and a table.

Mr. CANNON.

(At the request of Mr. McCORMACK, and to include extraneous matter, the following:)

Mr. BOLAND.

Mr. BROOKS of Louisiana.

(At the request of Mr. SMITH of California, and to include extraneous matter, the following:)

Mr. WIDNALL.

Mr. VAN ZANDT in two instances.

Mr. DEVINE.

## ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1217. An act to suspend for 2 years the import duty on certain amorphous graphite;

H.R. 1456. An act for the relief of Universal Trades, Inc.;

H.R. 1752. An act for the relief of Wilhelmina Ordenez;

H.R. 2082. An act for the relief of James Demetrios Chrysanthes, also known as James Demetrios Chrysanthopoulos;

H.R. 3786. An act for the relief of Chan Kit Ying and James George Bainter;

H.R. 3934. An act for the relief of Mrs. E. Christine Williams;

H.R. 4562. An act for the relief of Stanislaw Grzelewski;

H.R. 4825. An act for the relief of Jean K. Simmons;

H.R. 5349. An act to provide for the conveyance to Orange County, Calif., of all right, title, and interest of the United States

in and to certain real property situated in Orange County, Calif.;

H.R. 6083. An act for the relief of Mary V. Jones;

H.R. 6493. An act for the relief of Robert Dolton;

H.R. 6843. An act for the relief of Daniel Wilging;

H.R. 7226. An act for the relief of Mr. Hughie D. Martin and Ione Martin;

H.R. 7254. An act for the relief of Simeen Helena Chaghagh;

H.R. 7363. An act for the relief of Chester A. Spindler;

H.R. 8280. An act for the relief of Clarence T. Tolpo;

H.R. 8383. An act for the relief of Maj. Jack E. Hudson;

H.R. 8456. An act for the relief of Capt. Jack Rubley;

H.R. 8672. An act for the relief of Dr. Deh Chang Tao;

H.R. 8668. An act for the relief of the Albertson Water District, Nassau County, N.Y.;

H.R. 8941. An act for the relief of Mrs. Alice Anderson;

H.R. 9084. An act to repeal certain retirement promotion authority of the Coast and Geodetic Survey;

H.R. 9216. An act for the relief of Daniel C. Turner;

H.R. 9464. An act to remove the requirement that, of the Chief and Deputy Chief of the Bureau of Ships, one must be specially qualified and experienced in naval engineering and the other must be specially qualified and experienced in naval architecture;

H.R. 9476. An act for the relief of George E. Williams and William L. Johnson;

H.R. 9760. An act for the relief of Sam Doolittle;

H.R. 9861. An act to continue for a temporary period the existing suspension of duty on certain istle or Tampico fiber;

H.R. 10045. An act to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," to increase the amounts authorized to be expended;

H.R. 10164. An act to change the name of the locks and dam No. 41 on the Ohio River at Louisville, Ky.;

H.R. 10401. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1961;

H.R. 10550. An act to extend the Export Control Act of 1949 for two additional years;

H.R. 11415. An act to provide for the designation of a portion of the District of Columbia as the "Plaza of the Americas"; and

H.J. Res. 598. Joint resolution to extend the time for filing the final report of the Lincoln Sesquicentennial Commission.

## ADJOURNMENT

Mr. COFFIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 38 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 11, 1960, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2135. A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to authorize the Secretary of Commerce to utilize funds received from State and local governments and private organizations and individuals for spe-

cial meteorological services"; to the Committee on Interstate and Foreign Commerce.

2136. A letter from the Chairman, Federal Trade Commission, transmitting a copy of the Federal Trade Commission's Annual Report for the fiscal year 1959; to the Committee on Interstate and Foreign Commerce.

2137. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to permit the Secretary of the Interior to revoke in whole or in part the school and agency farm reserve on the Lac du Flambeau Reservation"; to the Committee on Interior and Insular Affairs.

2138. A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend section 502 of the General Bridge Act of 1946, and for other purposes"; to the Committee on Public Works.

2139. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill authorizing additional appropriations for prosecution of the channel improvement feature of the authorized project for the Mississippi River and tributaries"; to the Committee on Public Works.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASPINALL: Committee on Interior and Insular Affairs. H.R. 5098. A bill to provide for the application and disposition of net revenues from the power development on the Grand Valley Federal reclamation project, Colorado; with amendment (Rept. No. 1594). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. H.R. 11706. A bill to authorize an extension of time for final proof under the desert land laws under certain conditions; with amendment (Rept. No. 1595). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report 1596. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. EDMONDSON: Committee on Interior and Insular Affairs. H.R. 8860. A bill to stabilize the mining of lead and zinc by small domestic producers on public, Indian, and other lands, and for other purposes; with amendment (Rept. No. 1597). Referred to the Committee of the Whole House on the State of the Union.

Mr. HENDERSON: Committee on the Judiciary. H.R. 4271. A bill to validate the salary overpayments made to certain officers and employees incident to the salary adjustment provisions of the Federal Employees Salary Increase Act of 1955, and for other purposes; without amendment (Rept. No. 1599). Referred to the Committee of the Whole House on the State of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H.R. 7670. A bill for the relief of Edwin A. Haddad; without amendment (Rept. No. 1598). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ELLIOTT of Alabama:

H.R. 12125. A bill to amend the Library Services Act in order to extend for 5 years the authorization for appropriations, and for other purposes; to the Committee on Education and Labor.

By Mr. INOUE:

H.R. 12126. A bill to provide that the Secretary of Agriculture shall study and investigate the desirability and feasibility of establishing and maintaining a national botanic garden; to the Committee on Agriculture.

H.R. 12127. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 12128. A bill to repeal certain provisions of the Federal Employees Health Benefits Act of 1959 to eliminate the distinctions in such act with respect to dependent and nondependent husbands, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H.R. 12129. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for certain employers who employ individuals 50 years of age and over; to the Committee on Ways and Means.

By Mr. MONAGAN:

H.R. 12130. A bill to amend part II of the Interstate Commerce Act in order to require proof of payment of State and local taxes as a condition to transferring a certificate or permit issued to a carrier by motor vehicle under the provisions of such part; to the Committee on Interstate and Foreign Commerce.

By Mr. WESTLAND:

H.R. 12131. A bill to acquire lands to construct an approach road into the Ozette Lake region in the Olympic National Park in the State of Washington, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CLARK:

H.R. 12132. A bill to provide that certain subcontracts may be entered into only in accordance with rules and regulations prescribed by the Small Business Administration; to the Committee on Banking and Currency.

By Mr. DINGELL:

H.R. 12133. A bill to amend the Natural Gas Act to prohibit a rate increase from becoming effective, subject to bond, before a pending rate increase proceeding has been finally determined; to the Committee on Interstate and Foreign Commerce.

By Mr. HERLONG:

H.R. 12134. A bill to amend section 902 of the Internal Revenue Code of 1954 with respect to foreign taxes paid by certain predecessor corporations; to the Committee on Ways and Means.

By Mr. JOHNSON of Colorado:

H.R. 12135. A bill to amend the Internal Revenue Code of 1954 to repeal the tax on the transportation of persons, effective July 1, 1961; to the Committee on Ways and Means.

By Mr. PRICE:

H.R. 12136. A bill to amend the Federal Trade Commission Act to strengthen independent competitive enterprise by providing for fair competitive acts, practices, and methods of competition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 12137. A bill to amend the Federal Trade Commission Act to provide for the

issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Colorado:

H.R. 12138. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. UDALL:

H.R. 12139. A bill to authorize the transfer of a Bureau of Reclamation bridge across the Colorado River near Needles, Calif., and Mohave County, Ariz.; to the Committee on Interior and Insular Affairs.

By Mr. KOWALSKI:

H.R. 12140. A bill to amend the National Defense Education Act of 1958 in order to make student loans under title II of such act available to teachers attending summer sessions in institutions of higher education; to the Committee on Education and Labor.

By Mr. COFFIN:

H.R. 12141. A bill to amend the act of August 11, 1939, with respect to the allocation of funds available under that act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ANFUSO:

H.R. 12142. A bill to amend the act of August 11, 1939, with respect to the allocation of funds available under that act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. LENNON:

H.R. 12143. A bill to amend the act of August 11, 1939, with respect to the allocation of funds available under that act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GEORGE P. MILLER:

H.R. 12144. A bill to amend the act of August 11, 1939, with respect to the allocation of funds available under that act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. OLIVER:

H.R. 12145. A bill to amend the act of August 11, 1939, with respect to the allocation of funds available under that act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PELLY:

H.R. 12146. A bill to amend the act of August 11, 1939, with respect to the allocation of funds available under that act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. THOMPSON of Louisiana:

H.R. 12147. A bill to amend the act of August 11, 1939, with respect to the allocation of funds available under that act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. AUCHINCLOSS:

H.R. 12148. A bill to provide for a Commission on Presidential Office Space; to the Committee on Public Works.

By Mr. COHELAN:

H.R. 12149. A bill to provide for Federal grants and contracts to carry out projects with respect to techniques and practices for the prevention, diminution, and control of juvenile delinquency, and for the training of personnel; to the Committee on Education and Labor.

By Mr. STRATTON:

H.R. 12150. A bill to provide a program to test the effectiveness of promoting the consumption of fluid milk through advertising and other means; to the Committee on Agriculture.

By Mr. UDALL:

H.R. 12151. A bill giving the consent of Congress to a compact between the State of Arizona and the State of Nevada establish-

ing a boundary between those States; to the Committee on the Judiciary.

By Mr. RAINS:

H.R. 12152. A bill to relieve hardship for displaced families and businesses by assisting in their relocation and by providing them with mortgage financing under a new low-rent private housing program, and for other purposes; to the Committee on Banking and Currency.

H.R. 12153. A bill to promote homeownership and achieve high-level stability in residential construction, and for other purposes; to the Committee on Banking and Currency.

By Mr. HALEY:

H.J. Res. 703. Joint resolution directing the Secretary of the Interior and the Secretary of the Army to investigate and report on alternatives of the Kinzua Reservoir project, New York, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RABAUT:

H.J. Res. 704. Joint resolution to remove copyright restrictions upon the musical composition "Pledge of Allegiance to the Flag," and for other purposes; to the Committee on House Administration.

By Mr. PELLY:

H.J. Res. 705. Joint resolution to promote the conservation of ocean fish and shellfish; to the Committee on Ways and Means.

By Mr. SIKES:

H. Con. Res. 689. Concurrent resolution to establish a Joint Committee on National Security Intelligence; to the Committee on Rules.

By Mr. STRATTON:

H. Res. 523. Resolution to authorize the Committee on Agriculture to conduct an investigation and study comparing the operations of Federal milk marketing orders in the New York and New England milksheds; to the Committee on Rules.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HAYS:

H.R. 12154. A bill for the relief of Gregoire A. Kublin; to the Committee on the Judiciary.

By Mr. KEOGH:

H.R. 12155. A bill for the relief of Mrs. Jane R. Moore; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H.R. 12156. A bill for the relief of Dr. Kamel Said Michel Baladi; to the Committee on the Judiciary.

By Mr. MOSS:

H.R. 12157. A bill for the relief of Mrs. Barbara J. Rhodes; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 12158. A bill for the relief of Mrs. Wladyslawa Brzezinska; to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 12159. A bill for the relief of Antonio Pellegrini; to the Committee on the Judiciary.

By Mr. DONOHUE:

H.R. 12160. A bill for the relief of William J. Heffern; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

456. By Mr. BARR: Petition of members of Teamsters Local Union No. 135 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America for a hearing on the right to elect

its officers; to the Committee on Education and Labor.

457. By Mr. NORBLAD: Petition of Tex Shively and other residents of Salem, Oreg., relative to H.R. 10478 and any and all similar

legislation designed to impose restrictions on the right to own and bear arms; to the Committee on Ways and Means.

458. By the SPEAKER: Petition of C. Nemetz, owner and manager, Hotel Pendle-

ton, Pendleton, Oreg., requesting inquiry and investigation relative to the American Federation of Musicians Case 995, 1959-60, *Dewey Taylor v. The Pendleton Hotel et al.*; to the Committee on Education and Labor.

## EXTENSIONS OF REMARKS

### Loyalty Day, 1960

#### EXTENSION OF REMARKS

OF

### HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 10, 1960

Mr. VAN ZANDT. Mr. Speaker, the Veterans of Foreign Wars of the United States planned to observe Loyalty Day, 1960, at Valley Forge State Park, Valley Forge, Pa., on Sunday, May 1, but because of inclement weather the program was canceled. Another effort was made on Sunday, May 8, to stage the program, but rain again interfered, with the result that it has been necessary to abandon this year's observance of May Day at Valley Forge.

Having been invited to deliver the principal address at the May Day program at Valley Forge, I am inserting in the RECORD at this time the address which I had prepared for the occasion:

SPEECH BY REPRESENTATIVE JAMES E. VAN ZANDT, LOYALTY DAY CELEBRATION AT VALLEY FORGE STATE PARK, VALLEY FORGE, PA., SPONSORED BY THE VETERANS OF FOREIGN WARS OF THE UNITED STATES, SUNDAY, MAY 1, 1960

The 1960 Loyalty Day celebration recalls years of effort by the Veterans of Foreign Wars of the United States to have May 1 of each year permanently designated as Loyalty Day.

This occasion is further enhanced by the very nature of our geographical location, Valley Forge, which truly signifies heroic devotion to the principle of American loyalty.

The events that occurred here at Valley Forge almost 200 years ago have become sacred chapters in the annals of America's heritage.

It was a great honor to accept the invitation to bring you a loyalty day message and—as many of you know—my interest in this particular day holds both pride and affection.

After years of persistent effort to have May 1 of each year designated as loyalty day—in 1958 the Congress endorsed a House joint resolution which it was my privilege to introduce as a Member of the House of Representatives.

The resolution was duly signed by President Eisenhower on July 18, 1958, and thus May 1 of each year was established as Loyalty Day.

This legislation requests that the President of the United States issue an annual proclamation inviting the people of the United States to observe loyalty day with appropriate ceremonies—"In which all of our people may join in the expression and reaffirmance of their loyalty to the United States."

The 1960 loyalty day proclamation of President Eisenhower reminds us that "the existence of the United States as a free Nation is dependent upon the unswerving and enlightened loyalty of its people," that "our priceless heritage of freedom is in constant

danger from forces inimical to our traditional concepts of Government—among which is our fundamental principle of liberty under law"—and "that on one special day of the year we give grateful expression to our country's deep hold upon our hearts and minds."

Fellow Americans, we can do no less than give these ideals so ably expressed by President Eisenhower our earnest attention as loyal and liberty-loving citizens of this great Republic.

Before I give you some of my thoughts on the subject of loyalty—I should like to extend a well-deserved tribute to the Veterans of Foreign Wars of the United States.

It had long been the goal of the VFW to secure a definite means by which we could counteract the demonstration of the Communists on May Day which often grew to large proportions in many cities, especially along our eastern seaboard.

Someone has said the VFW is not regarded as merely a lot of ex-servicemen engaged in giving more lipservice to lofty ideals.

Since its inception in 1899—the VFW has to its credit an endless list of projects which have benefited communities across our entire Nation.

The "good of the public" has been kept in mind at all times.

The VFW has realistically believed that its members want to continue their service to their country through broad activities in time of peace to help strengthen the foundations of the Nation they helped defend by bearing arms against enemies on foreign battlefields.

It was appropriate—indeed—that the Veterans of Foreign Wars of the United States should take the initiative in establishing Loyalty Day.

This adds one more chapter to the VFW's record of patriotic service to America.

It is not incidental that the Veterans of Foreign Wars of the United States on February 22 of this year was again honored by the Freedoms Foundation at the foundation's 11th awards-presentation program.

It was the 10th consecutive year that the VFW has been named to receive a Freedoms Foundation distinguished service award—which was based on the VFW's nationwide leadership in the observance of Loyalty Day—May 1.

Fellow Americans—what should we emphasize today in our thoughts about loyalty to our country?

Often historical illustrations are overlooked in our rush to launch another satellite or another missile, however important such efforts may be.

It has been said that Americans today are living examples of the terse comment that "the one thing we learn from history is that we learn nothing from history."

May I relate to you a very interesting coincidence of history.

Just as Edward Gibbon was nearing the completion of his monumental work, "The Decline and Fall of the Roman Empire," a small group of men, assembled in Philadelphia, was creating a new republic in the Western World.

No writer had ever attempted a larger task than Gibbon in the history of Rome.

No one would have believed that so many pages would ever again be required for the portrayal of such an epic.

We might well ask ourselves today these questions:

(a) Will some future historian record on an equal scale the decline and fall of our Western civilization?

(b) As the years pass will there be an erosion of American ideals?

(c) As in many countries will the tide of our national ideals be turned back by a sudden reversion to a dictatorial form of government?

The Republics of Rome and America are not identical.

But some points of similarity might well give solemnity to the warning that the same fate which overtook the one might easily overtake the other.

Rome based its dominion on the powers of the Caesars, but the strength of our Western Republic is derived from the people.

Rome collapsed when it became drunk with power.

On the other hand, America faces the choice of maintaining the bulwark of its Constitution or slowly submitting to the numerous "isms" which crowd into the headlines of our lives.

Therefore, we are faced with these questions:

(a) Will the American people continue to uphold the Constitution?

(b) Can we continue to maintain our political and social equilibrium without destroying our liberty?

In considering these questions—one may wonder if the makers of the Constitution dreamed that such questions would arise in regard to that document.

The spirit of the Constitution is set forth in the words of Madison when he said that the general opinion of the Convention was to secure the private rights against majority factions—and at the same time—to preserve the spirit and form of popular government.

It is evident, therefore, that the American people must be brought to the realization that these objectives must be maintained or constitutional government will give way.

American ideals can be maintained—my fellow Americans, through the repetition of ideas—ideas that point up loyalty to our way of life.

Likewise, the repetition of ideas, which are contrary to our way of life will ultimately result in the acceptance of something less than the American form of government.

Does the average American citizen recognize that we are being literally deluged with propaganda of all kinds?

Since 1917, and with intensified force for the last two decades, the Communist masters of the Soviet Union have sought to sell the American people the thesis that the Communist system represents the tide of the future.

On the other hand, there has been a tendency in America to dwell upon our shortcomings and to place our thoughts upon the faults of our own system—a system that in reality is the envy of all the world.

It is unthinkable, yet true, that in some circles the very word "loyalty" has been frowned upon as being old fashioned and somewhat ridiculous.

It has been stated that the United States is both an obstacle to communism and a target for it.